

**CITY OF MIAMI SPRINGS, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED SEPTEMBER 30, 2001**

**PREPARED BY**

**THE FINANCE DEPARTMENT**

# CITY OF MIAMI SPRINGS, FLORIDA

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**INTRODUCTORY SECTION**

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OFFICE OF CITY MANAGER  
201 WESTWARD DRIVE  
MIAMI SPRINGS, FL 33166



TELEPHONE  
(305) 805-5010  
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April 8, 2002

The Honorable Mayor Richard L. Wheeler and  
Members of the City Council  
Miami Springs, Florida 33166

Dear Mayor Wheeler and City Council Members:

It is with great pleasure that I present to you the Comprehensive Annual Financial Report for the City of Miami Springs for the fiscal year ended September 30, 2001. This document and report are required by Section 11.45, Florida State Statutes, and Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and contain audited financial statements, reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City of Miami Springs. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The City's management is fully responsible, in all material respects, for both the accuracy of the data and the completeness of the presentation, including all disclosures and notes. This report has been prepared in accordance with *Generally Accepted Accounting Principles (GAPP)* and standards delineated by the Government Accounting Standards Board (GASB).

The Comprehensive Annual Financial Report is presented to you in four sections: (1) Introduction; (2) Financial; (3) Statistical; and (4) Compliance. The *Introduction* section includes this transmittal letter, an organization chart as of the end of the fiscal year, and a list of officials holding key positions during the reporting period. The *Financial* section of the document includes the report from the independent certified public accountants. Included in this report are the combined general purpose financial statements, notes to the general purpose financial statements, which highlight the key factors of the transactions, along with individual fund and account group financial statements and supporting schedules. The *Statistical* section of the report includes selected financial and general information presented in a multi-year format for comparative or trend purposes. The Compliance section provides comments prepared, as required by the Auditor General's Office, as well as auditor's schedule of findings with the corresponding management responses.

The Comprehensive Annual Financial Report includes all funds and account groups for which the City is financially responsible. In addition, separate *Financial Statements* were prepared to report on the fiscal position of the pension funds; The General Employees Retirement System and the Police and Firefighters Retirement System. While audited separately, the results of their operations and net value of assets are included in the City's Comprehensive Annual Financial Report for reference. The established criteria for inclusion as a reporting entity is determined on the basis of budgetary or taxing authority and financial interdependency.



## **FY 2000-2001 Comprehensive Annual Financial Report**

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The City provides a full range of services. Operations include police protection, utility services (water and waste water, sanitation, storm water, recreation, senior center, and the golf course. Additionally, capital projects, included under the auspices of the City, include the renovation and rehabilitation of the City's wastewater (sewer) system, funded by the 1998 Miami Springs revenue bond issue; and, the comprehensive renovation of the Miami Springs Golf and Country Club, acquired in October 1997 from the City of Miami. The maintenance of sidewalks, city-owned streets, and right-of-way, and other tangible infrastructure facilities are managed and performed by the City.

### **FINANCIAL INFORMATION**

The City Administration is responsible for establishing and maintaining cohesive internal controls and fundamental regulations designed to ensure that the City's assets are protected from loss, theft or misuse, along with providing systematic and substantive controls to protect the fiscal integrity of the organization. The internal control structure is designed to provide reasonable, but not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control does not exceed the benefit likely to be derived and (2) the costs and benefits require routing, monitoring and may be subject to occasional modifications by management. As part of the FY 2000-2001 fiscal audit, the organization's independent certified public accountants, Rachlin Cohen & Holtz LLP, prepared a report addressing a series of internal control issues. The findings required that actions be taken by the City's management to continue to ensure the organization's fiscal integrity. Along with prior year recommendations, the City's management has taken proactive responses to the auditor's schedule of findings.

*Budgetary Controls:* The City maintains budgetary controls at a line item level to ensure compliance with legal provisions established in the annual appropriated budget approved and amended by the City and Florida State Statutes Section 200.065. These statutory provisions establish specific procedures to prepare, advertise (notification to the public), implement and amend the City's operating budgets comprised of revenue and expenditure estimates.

The level of control at which expenditures cannot legally exceed the appropriated amounts is established at the department level. The City maintains budgetary controls through an encumbrance-fund accounting system which must be included as authorized line item expenditures identified in the amended operating budgets. Outstanding awards for purchased goods or services are recorded as reservations of fund equities in each fund. The first budget amendment of each subsequent fiscal year reappropriates those reserved balances, authorizing the continuation of the transactions. The City Manager is authorized to transfer budgeted amounts within the department of any fund; however, all budget revisions that modify or adjust the total expenditure of any given department or division must receive authorization and approval by the City Council; correspondingly they are implemented by authorizing a resolution amending the operating budget. For management purposes, monthly budget statements are prepared by the Finance Department and distributed to the City Council and department managers for review and analysis of budget-to-actual results.

### **GENERAL GOVERNMENT FUNCTIONS**

#### **Revenues**

General fund revenues and other operating sources including operating transfers amounted to \$8,939,582 for the fiscal year September 30, 2001. This is a 6.7% increase over the total revenues received and reported for FY 1999-2000. The following schedule presents a summary of general fund revenues and other financing sources for the reporting period, their related percentage and the corresponding variance, including the percentage change, as a relationship to last fiscal year.



**FY 2000-2001 Comprehensive Annual  
Financial Report**

Total Revenue Sources				
Source	FY 2000-01 Amount	Percent of Total	Increase (Decrease) from FY 99-00	Percent of Increase (Decrease)
Ad Valorem Revenue	4,252,226	47.6	243,355	6.1
Licenses & Permits	329,869	3.6	(68,106)	(17.2)
Intergovernmental	1,110,573	12.4	5,894	.6
Charges for Services	249,045	2.8	30,447	14.0
Fines & Forfeitures	228,281	2.5	22,673	11.1
Interest Earnings	147,642	1.7	(27,407)	(14.0)
Other Revenues	207,149	2.3	141,766	216.9
Operating Transfer In	2,414,797	27.0	216,014	9.9
Totals	8,939,582	100.0	564,634	6.8

The single source of general fund revenues with the greatest impact on operation is ad valorem (or property) taxes, representing 47.6% of the total general fund operating revenues. Property taxes are based upon assessed values of real, personal and other tangible properties within the jurisdiction of the City of Miami Springs, and are calculated by the Miami-Dade County Property Tax Appraiser. This calculation is used as the foundation to determine the projected general fund revenues from ad valorem tax levies. The final value for FY 2000-2001 for real, personal and other tangible properties was \$644,324,403. This final value compares to \$615,353,829 in FY 1999-2000, representing a \$28,970,574 (4.7%) increase from fiscal year to fiscal year.

*Operating Transfers-in* represents another significant revenue source having an impact on the general fund. This account represents the general fund's receipt of administrative (or management) fees from four of the City's five enterprise funds (water, wastewater/sewer, sanitation, stormwater, and golf course operations). Together the four enterprise funds contribute \$475,000 to the general fund or approximately 5.4% of total general fund service taxes applied to various utility services provided in the City. These services include electricity, telecommunication services, cable television, gas service and water. Other major revenue sources include fees from the issuance of building permits and occupational licenses, of which the latter (occupational licenses), are billed in September of each year for renewal on October 1st. We find that the proceeds in this category have been constant with no material changes recognized between FY 1999-2000 and FY 2000-2001.



## FY 2000-2001 Comprehensive Annual Financial Report

### Expenditures

General fund expenditures, including operating transfer-out totaled \$8,241,550 for the fiscal year ended September 30, 2001. This generates an operating surplus of \$698,032 of revenues over expenditures. The surplus is recorded in the fund's unencumbered/unreserved fund balance and was used to offset operating deficits, which occurred in other funds including the wastewater (sewer) and golf course operating funds. All other surplus funds will be maintained in the City's working capital account to meet fiscal obligations throughout the fiscal year and to meet any unexpected or unforeseen emergencies.

The total expenditures reported for this year represent a 6.1% increase over the total amount disbursed in FY 1999-2000. The following schedule presents a summary of expenditures by category for the year. Please note that the expenditures reflected in this chart exclude outstanding encumbrances at the end of the year as those obligations are recorded in the fund's reserved fund balance account.

Total Expenditures				
Source	Amount	Percent of Total	Increase (Decrease) from FY 1999-00	Percent of Increase (Decrease)
General Government	1,200,515	14.5	60,635	5.3
Public Safety	4,052,125	49.2	116,830	2.9
Public Works	1,413,852	17.1	107,585	8.2
Recreation & Culture	866,281	10.6	122,636	16.5
Other Services	436,777	5.3	(88,787)	(16.9)
Operating Trans. Out	391,507	3.3	155,650	133.8
Totals	8,361,057	100.0	474,549	6.1

*General Government* represents the total expenditures of the overall administrative functions of the City. Included in this category are the departments of the Mayor and Council, Office of the City Manager, Office of the City Clerk, Human Resources Department, Finance Department, Office of the City Attorney, Planning, Building, Zoning and Code Enforcement Department. The category of *Public Works* represents the five (5) general fund divisions of the department, administration, streets and streetlights, sidewalks, public property maintenance and the building maintenance divisions. *Recreation and Culture* represent the three (3) divisions of recreation and are combined for reporting purposes: recreation (the division representing the administration and general recreation services provided by the City), pool and tennis. *Other Services* records all transactions, which are general in nature and benefit all departments and divisions of the City, including unclassified (or non-departmental) division and bank charge accounts. The category of *Operating Transfer-out* records the general fund's contribution, the Senior Center (special revenue) fund's operation and other contributions to special projects and funds, including the Curtiss Mansion and advances to the hurricane fund awaiting reimbursements from the Federal Emergency Management Agency (FEMA).



## **FY 2000-2001 Comprehensive Annual Financial Report**

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**Special Revenue Funds** - The City has six special revenue funds as of the close of the fiscal year: excise tax fund, local option gas tax fund, senior center operations fund, grant fund, hurricane fund, and the safe neighborhood bond fund. These funds have been established to record proceeds and disbursement for specific sources and whose use is legally restricted.

**Excise Tax Funds** - This fund is used to account for all receipts related to the levies of the public service taxes (PSTs) and franchise fees. These legally obligated charges are levied on telecommunications services (local and long-distance), electricity, gas, fuel and oil services, cable television and private solid waste services. Total revenues recorded for the year are \$713,800 and \$1,198,898 for franchise fees and combined public service taxes respectively.

**Senior Center Fund** - This fund represents the revenues and expenditures related to the day-to-day operations of the Senior Center. This program is funded by the Older Americans Act, Title II and DC & F funds. The Center provides daily hot meals to over 125 participants, along with delivery of meals to homebound residents of the City. Other senior services including health screening, nutritional and education programs, home-shopper programs and other entertainment and educationally designed programs are offered to residents free of charge or for nominal fees.

**Grant Fund** - This fund reports revenues and expenditures related to City grant awards. Included in this fund are proceeds from the Law Enforcement Block Grant awards and other special planning and rehabilitation awards.

**Hurricane Fund** - This fund was established to create a set of accounts recording all costs associated with hurricanes and other natural disasters. Eligible reimbursements were submitted to the Federal Emergency Management Agency (FEMA), and those not paid at year-end were recorded as an authorized receivable.

**Local Option Gas Tax Fund** - This fund records revenues received by the City as part of the countywide charges applied to all petroleum and petroleum related products sold. The City also reports revenues received from Miami Springs property owners, who have received sidewalk improvement services by the City or a City designated contractor. Expenditures are restricted to street, sidewalk, streetlight or other capital improvement projects and may not include direct labor costs incurred to provide these services.

**General Fixed Assets** - The general fixed assets of the City are those used in the performance of general government functions and exclude the assets of the five enterprise and three internal service funds. In accordance with *Generally Accepted Accounting Principles* for local governments, the City is not required and does not report depreciation on general fixed assets nor does it record the values of capitalized assets such as roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, or other similar assets that are immovable and of value only to the City. Assets are recorded at cost, except donated items, which are recorded at the fair market value of the item at the time of contribution. As of September 30, 2001, the general fixed assets of the City and those specifically identified assets acquired through federal grants or donated revenue amounted to \$7,230,184.

**General Long-Term Debt Account Group** - The general long-term debt account group is a self-balancing group of accounts established to record the value of liabilities arising from accrued benefits, including but not limited to vacation and sick leave pay, valued at \$414,060 on 9/30/2001. Additionally, the debt obligation for the City's General Obligation (GO bonds, series 1997 and revenue refunding and Improvement Bonds (Revenue), series 1998) are recorded in this group of accounts.

**Enterprise Funds** - The City's enterprise fund operations include, water, wastewater (sewer), sanitation, stormwater, and golf course operations. Each fund is established to finance and account for the acquisition, operation and maintenance of each respective facility, utility services, and related revenue bond debt obligations. The cost of providing these goods and services on a continuing basis is financed through the collection of charges from various users. The comparative data below reflects the net operating income or loss on corresponding operating revenues:



**FY 2000-2001 Comprehensive Annual  
Financial Report**

Enterprise Fund Operations				
Operating Revenues			Net Income (Loss)	
Fund	FY 1999-00	FY 2000-01	FY 1999-00	FY 2000-01
Water	1,194,768	1,244,847	144	(29,881)
Wastewater	3,726,139	3,494,878	(1,866,409)	(503,600)
Sanitation	1,656,835	1,525,108	(16,211)	(58,243)
Stormwater	252,956	263,764	38,074	32,832
Golf Course	1,365,705	1,468,442	(426,553)	(466,159)
'98 Utility Bonds	0	0	1,751,434	101,996
Memo Totals	8,188,490	7,997,483	(519,521)	(923,055)

**Debt Administration** – The City's outstanding long-term debt obligations consist of two tax-exempt bond instruments: the General Obligation Bond, series 1997 and the Revenue Refunding and Improvement Bonds, series 1998 (refunding the previously recorded utility Revenue Bond, series 1994). The face value for each bond on September 30, 2001 was \$4,520,000 and \$10,510,000 for the General Obligation Revenue Refunding and Improvement Bonds respectively.

**FIDUCIARY OPERATIONS**

**Pension Trust Funds** – The City administers two independent retirement systems: The Miami Springs General Employees Retirement System and the Miami Springs Police and Firefighters Retirement System. Both are independently audited, but for reporting purposes, they are incorporated into the City's Comprehensive Annual Financial Report for information purposes.

**RISK AND LIABILITY MANAGEMENT**

Incorporated as an integrated function in the City's finance department is risk management, which includes the management and oversight of all City liability coverage, workers compensation fees, health related benefits for the City's employees, dependents and participating retirees. As internal service funds, revenues to support such funds' obligations are derived from transfers-in from other City funds, departments and divisions based upon an allocation schedule calculated by the administration.

**Liability Insurance Internal Service Fund** – This fund accounts for premiums, administrative costs and other processing fees that include payments for comprehensive and general liability, bonding, riders, automobile premiums, property and casualty coverage and workers compensation premiums. Total contributions into the fund were \$454,451.



# **FY 2000-2001 Comprehensive Annual Financial Report**

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## **CASH MANAGEMENT AND TREASURY**

The City of Miami Springs is fully charged with the security of the City funds and assets with the goal of maximizing return on surplus or idle cash. Cash management policies are clearly identified in the adopted budget documents along with regulations defined by State of Florida Statutes. The City's primary investment instruments are overnight repurchase and reverse repurchase agreements, certificates of deposit, treasury notes, state board of administration (SBA) funds, commercial paper and bankers acceptance notes. The principal focus of cash management is to ensure the safety of the City's cash while maximizing our return on each investment. No investment is made for any commitment period exceeding six months.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Miami Springs is located in Southeast Florida, Miami-Dade County, immediately north and bordering the Miami International Airport. The City, primarily residential in nature, is 2.8 square miles with approximately 14,000 full-time residents. The southern-most area of the City, located along the 36<sup>th</sup> Street business corridor, is commercial in nature with hotels, restaurants and office complexes. These facilities primarily service the airport and support industries related to the facility and its employees.

The repair phase of the sewer system renovation program is on-going. These repairs will reduce the operating deficit and help fund the renewal and replacement programs of the system and help pay the principal and interest on the bond debt.

The City has hired three consulting firms to develop a Master Plan, an Economic and Marketing Plan and a Traffic and Transportation Plan for \$250,000, as part of the Downtown Revitalization Project. The City has received a grant of \$250,000 from the Florida Legislature to fund the beginning of the project. Implementation began in 2001. A Downtown Economic Development Director has been hired to begin the economic development of downtown revitalization.

## **OTHER FORMATION**

**Independent Audit** – The State of Florida Statutes require that annual audits of the City's financial statements, accounts and records be performed by external auditors. The City continues to use the services of the certified public accounting firm of Rachlin Cohen & Holtz LLP, without whom this report could not have been completed. Their attention to detail and accuracy related to the information contained in this report affirms the professional standards to which the firm adheres and demonstrates to the clients and the individuals reading this report. In addition to meeting the specified state requirements, this audit was prepared and presented with the requirements set forth in OMB Circular A-133 and Auditing Standards generally accepted in the United States.

**Acknowledgement** – The preparation of the Comprehensive Annual Financial Report demonstrates the professional commitment of the Finance Director and his staff to ensure that accurate information is provided to the City Council, administration and investors. We also want to thank the auditing team from Rachlin Cohen & Holtz LLP for the many hours and assistance provided to the City during the preparation of this report. As a result of the City's new growth and redevelopment programs throughout the City, the annual report requires considerably more analysis and compilation of data. Without the help of a qualified auditing firm, the information produced would lack creditability. This report, however, reflects the changes that have developed during the year.



**FY 2000-2001 Comprehensive Annual  
Financial Report**

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As we proceed into the new millennium, the administration is eager to accept the new challenges in front of us. In the spirit of mutual cooperation, we look forward to working together, developing new technologies to improve the quality of life for our residents and businesses throughout the City.

Respectfully submitted,  
THE CITY OF MIAMI SPRINGS



Maria V. Davis  
City Manager



Charles G. Marshall  
Finance Director



CITY OF MIAMI SPRINGS, FLORIDA

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

SEPTEMBER 30, 2001

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Miami Springs,  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



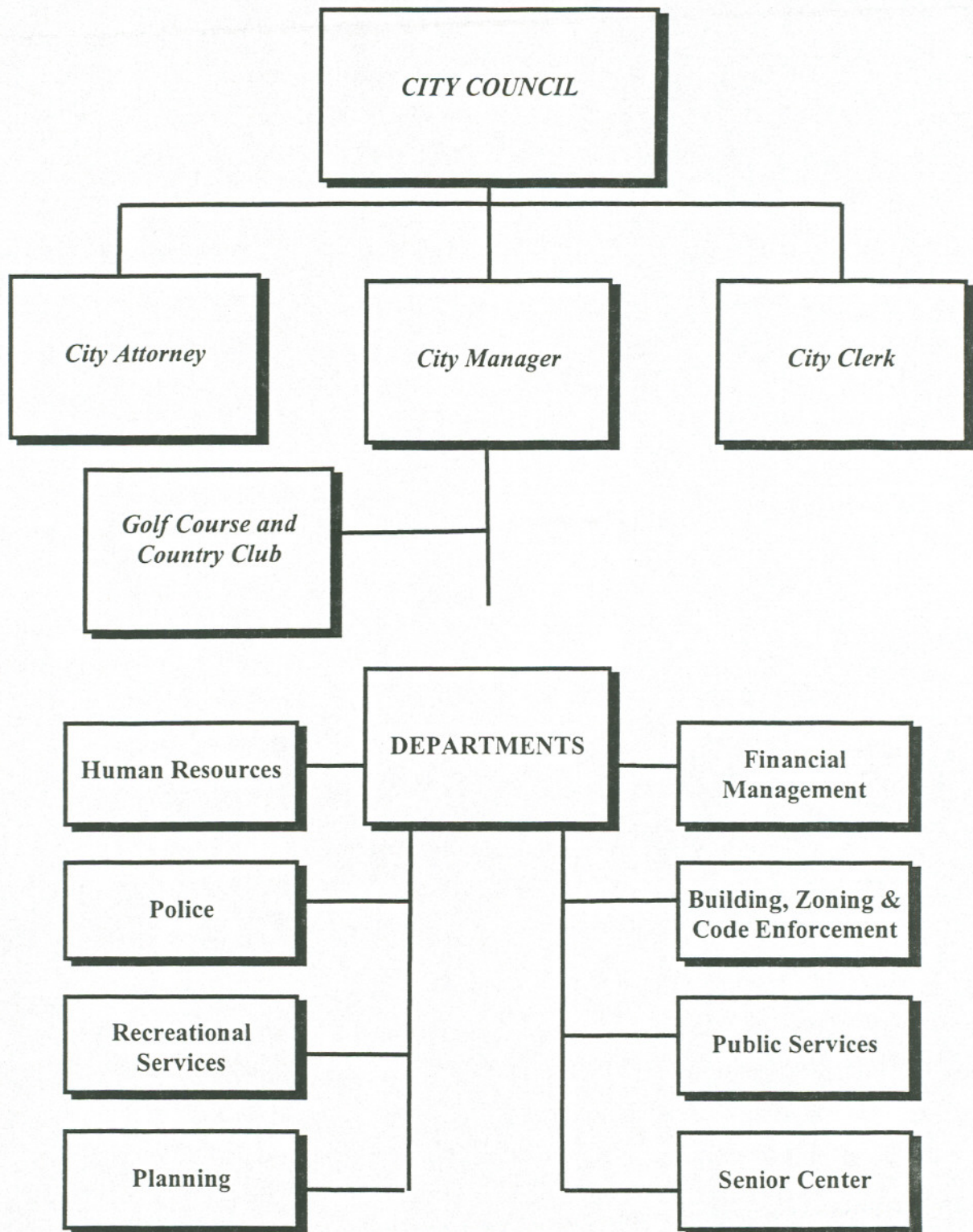
*Timothy A. Hume*  
President

*Jeffrey L. Essler*  
Executive Director



# CITY OF MIAMI SPRINGS, FLORIDA

## ORGANIZATION CHART





**CITY OF MIAMI SPRINGS, FLORIDA**  
*Council-Manager Form of Government*

SEPTEMBER 30, 2001

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***CITY COUNCIL***

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Mayor  
Vice - Mayor  
Council Member  
Council Member  
Council Member

Richard Wheeler  
James G. Caudle  
Helen Gannon  
Marsh H. Fulton  
Rob Youngs

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***ADMINISTRATION***

---

City Manager  
Assistant City Manager  
Finance Director  
City Attorney  
Assistant City Attorney  
City Clerk  
City Planner  
Police Chief  
Personnel Director  
Chief Building Official  
Public Works Director  
Social Services Director  
Recreation Director

Maria V. Davis  
Michael V. Sprovero  
Charles G. Marshall  
Albert Weintraub, Esq.  
Jan K. Seiden, Esq.  
Magali Valls  
Open  
Gene Duffy  
Loretta M. Boucher  
Michael V. Sprovero  
Open  
Karen Rosson  
Alan Ricke



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## FINANCIAL SECTION

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**REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

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Rachlin Cohen & Holtz LLP  
Certified Public Accountants & Consultants

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida

We have audited the general purpose financial statements of the City of Miami Springs, Florida (the City) as of September 30, 2001 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with auditing standards generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 9, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of the audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Similarly, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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Offices in: Miami • Ft. Lauderdale • West Palm Beach • Stuart

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Member of Summit International Associates, Inc. with offices in principal cities throughout the world  
Member of the American Institute of Certified Public Accountants and member of the Florida Institute of Certified Public Accountants





Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida  
Page Two

The information shown in the statistical section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion thereon.

*Rachlin Cohen + Holtz LLP*

Miami, Florida  
January 9, 2002



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## **GENERAL PURPOSE FINANCIAL STATEMENTS (Combined Statements - Overview)**

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The financial statements in this section provide an overview and broad perspective of the financial position and results of operations of the City at the fund type and account group level. They serve as an introduction to individual statements and schedules that follow in subsequent sections.



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS

SEPTEMBER 30, 2001

	Governmental <u>Fund Types</u>				Proprietary <u>Fund Types</u>		Fiduciary <u>Fund Type</u>	Account <u>Groups</u>		Totals
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>
<b><u>ASSETS AND OTHER DEBITS</u></b>										
Cash and cash equivalents	\$ 1,018,799	\$ 417,496	\$ 165,678	\$ -	\$ 573,182	\$ 1,882	\$ 1,675,476	\$ -	\$ -	\$ 3,852,513
Investments	-	-	-	-	-	-	30,635,981	-	-	30,635,981
Receivables:										
Accounts	120,631	592,134	-	-	803,049	5,537	142,880	-	-	1,664,231
Assessments	-	-	-	-	4,920	-	-	-	-	4,920
Accrued interest and dividends	-	-	-	-	-	-	249,690	-	-	249,690
Due from other funds	2,682,841	10,545	-	-	667,691	136,469	-	-	-	3,497,546
Inventories	24,746	-	-	-	132,494	62,988	-	-	-	220,228
Restricted assets:										
Cash and cash equivalents	-	-	-	-	824,536	-	-	-	-	824,536
Deferred charges	-	-	-	68,546	483,144	64,053	-	-	-	615,743
Other assets	-	-	-	2,963	-	-	1,000	-	-	3,963
Fixed assets, net	-	-	-	-	15,829,570	557,484	-	7,230,184	-	23,617,238
Amount available in debt service fund	-	-	-	-	-	-	-	-	165,678	165,678
Amount to be provided for retirement for general long-term debt	-	-	-	-	-	-	-	-	4,354,322	4,354,322
Amount to be provided for payment for accrued vacation and sick pay benefits	-	-	-	-	-	-	-	-	414,060	414,060
Total assets and other debits	<u>\$ 3,847,017</u>	<u>\$ 1,020,175</u>	<u>\$ 165,678</u>	<u>\$ 71,509</u>	<u>\$ 19,318,586</u>	<u>\$ 828,413</u>	<u>\$ 32,705,027</u>	<u>\$ 7,230,184</u>	<u>\$ 4,934,060</u>	<u>\$ 70,120,649</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS (Continued)

SEPTEMBER 30, 2001

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
Liabilities:										
Accounts payable	\$ 42,855	\$ 472,857	\$ -	\$ 7,138	\$ 1,170,743	\$ 7,516	\$ 92,380	\$ -	\$ -	\$ 1,793,489
Accrued liabilities	373,186	41,369	-	-	163,776	23,876	-	-	-	602,207
Due to other funds	37,597	181,055	-	-	2,981,453	294,314	3,127	-	-	3,497,546
Deferred revenues	6,338	516	-	-	-	-	-	-	-	6,854
Payable from restricted assets:										
Current portion of bonds payable	-	-	-	-	335,000	-	-	-	-	335,000
Other liabilities	15,795	-	-	-	65,860	-	23,649	-	-	105,304
Customer deposits	-	-	-	-	340,985	-	-	-	-	340,985
Revenue bonds payable	-	-	-	-	10,175,000	-	-	-	-	10,175,000
General obligation bonds	-	-	-	-	-	-	-	-	4,520,000	4,520,000
Accrued vacation and sick pay benefits	-	-	-	-	-	-	-	-	414,060	414,060
Total liabilities	<u>475,771</u>	<u>695,797</u>	<u>-</u>	<u>7,138</u>	<u>15,232,817</u>	<u>325,706</u>	<u>119,156</u>	<u>-</u>	<u>4,934,060</u>	<u>21,790,445</u>
Equity and other credits:										
Contributed capital	-	-	-	-	4,287,129	-	-	-	-	4,287,129
Investment in general fixed assets	-	-	-	-	-	-	-	7,230,184	-	7,230,184
Retained earnings (deficit):										
Reserved for debt service	-	-	-	-	836,362	-	-	-	-	836,362
Unreserved (deficit)	-	-	-	-	(1,037,722)	502,707	-	-	-	(535,015)
Fund balances:										
Reserved for encumbrances	238,002	638,997	-	-	-	-	57,537	-	-	934,536
Reserved for inventories	24,746	-	-	-	-	-	-	-	-	24,746
Reserved for debt service	-	-	165,678	-	-	-	-	-	-	165,678
Reserved for employees pension benefits	-	-	-	-	-	-	30,692,856	-	-	30,692,856
Unreserved, undesignated (deficit)	3,108,498	(314,619)	-	64,371	-	-	1,835,478	-	-	4,693,728
Total equity and other credits	<u>3,371,246</u>	<u>324,378</u>	<u>165,678</u>	<u>64,371</u>	<u>4,085,769</u>	<u>502,707</u>	<u>32,585,871</u>	<u>7,230,184</u>	<u>-</u>	<u>48,330,204</u>
Total liabilities, equity and other credits	<u>\$ 3,847,017</u>	<u>\$ 1,020,175</u>	<u>\$ 165,678</u>	<u>\$ 71,509</u>	<u>\$ 19,318,586</u>	<u>\$ 828,413</u>	<u>\$ 32,705,027</u>	<u>\$ 7,230,184</u>	<u>\$ 4,934,060</u>	<u>\$ 70,120,649</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trusts</u>	
Revenues:						
Taxes	\$ 4,252,226	\$ 2,361,477	\$ 443,379	\$ -	\$ -	\$ 7,057,082
Licenses and permits	329,869	-	-	-	-	329,869
Intergovernmental	1,110,573	1,623,746	-	-	-	2,734,319
Charges for services	249,045	42,431	-	-	-	291,476
Fines and forfeitures	228,281	-	-	-	387,253	615,534
Interest	147,642	-	-	286	-	147,928
Miscellaneous	207,149	-	-	-	-	207,149
Total revenues	<u>6,524,785</u>	<u>4,027,654</u>	<u>443,379</u>	<u>286</u>	<u>387,253</u>	<u>11,383,357</u>
Expenditures:						
Current:						
General government	1,200,515	2,445,632	-	4,631	-	3,650,778
Public safety	4,052,125	-	-	-	-	4,052,125
Public works	1,413,852	-	-	-	-	1,413,852
Recreation and culture	866,281	-	-	-	-	866,281
Non-departmental	337,762	-	-	-	-	337,762
Education and training	-	-	-	-	103,076	103,076
Capital outlay	99,015	-	-	51,643	353,603	504,261
Debt service:						
Principal	-	-	165,000	-	-	165,000
Interest	-	-	228,523	-	-	228,523
Total expenditures	<u>7,969,550</u>	<u>2,445,632</u>	<u>393,523</u>	<u>56,274</u>	<u>456,679</u>	<u>11,321,658</u>
Excess (deficiency) of revenues over expenditures	<u>(1,444,765)</u>	<u>1,582,022</u>	<u>49,856</u>	<u>(55,988)</u>	<u>(69,426)</u>	<u>61,699</u>
Other financing sources (uses):						
Operating transfers in	2,414,797	291,507	-	-	-	2,706,304
Operating transfers out	(391,507)	(1,939,797)	-	-	-	(2,331,304)
Total other financing sources (uses)	<u>2,023,290</u>	<u>(1,648,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>578,525</u>	<u>(66,268)</u>	<u>49,856</u>	<u>(55,988)</u>	<u>(69,426)</u>	<u>436,699</u>
Fund balances, beginning	<u>2,792,721</u>	<u>390,646</u>	<u>115,822</u>	<u>120,359</u>	<u>1,962,441</u>	<u>5,381,989</u>
Fund balances, ending	<u>\$ 3,371,246</u>	<u>\$ 324,378</u>	<u>\$ 165,678</u>	<u>\$ 64,371</u>	<u>\$ 1,893,015</u>	<u>\$ 5,818,688</u>

See notes to general purpose financial statements.



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED STATEMENT OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL - ALL BUDGETED GOVERNMENTAL FUND TYPES

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	General Fund			Annually Budgeted Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$ 4,364,783	\$ 4,252,226	\$ (112,557)	\$ 2,099,000	\$ 2,361,477	\$ 262,477	\$ 413,523	\$ 443,379	\$ 29,856
Licenses and permits	330,554	329,869	(685)	-	-	-	-	-	-
Intergovernmental	1,065,029	1,110,573	45,544	149,471	133,440	(16,031)	-	-	-
Charges for services	213,798	249,045	35,247	10,000	42,431	32,431	-	-	-
Fines and forfeitures	185,350	228,281	42,931	-	-	-	-	-	-
Interest	160,000	147,642	(12,358)	-	-	-	-	-	-
Miscellaneous	650,122	207,149	(442,973)	-	-	-	-	-	-
Total revenues	<u>6,969,636</u>	<u>6,524,785</u>	<u>(444,851)</u>	<u>2,258,471</u>	<u>2,537,348</u>	<u>278,877</u>	<u>413,523</u>	<u>443,379</u>	<u>29,856</u>
Expenditures:									
Current:									
General government	1,234,490	1,200,515	33,975	-	-	-	20,000	-	20,000
Public safety	4,290,364	4,052,125	238,239	-	-	-	-	-	-
Public works	1,556,125	1,413,852	142,273	-	-	-	-	-	-
Recreation and culture	949,643	866,281	83,362	-	-	-	-	-	-
Non-departmental	702,213	337,762	364,451	930,896	806,819	124,077	-	-	-
Capital outlay	139,801	99,015	40,786	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	165,000	165,000	-
Interest	-	-	-	-	-	-	228,523	228,523	-
Total expenditures	<u>8,872,636</u>	<u>7,969,550</u>	<u>903,086</u>	<u>930,896</u>	<u>806,819</u>	<u>124,077</u>	<u>413,523</u>	<u>393,523</u>	<u>20,000</u>
Excess (deficiency) of revenues over expenditures	<u>(1,903,000)</u>	<u>(1,444,765)</u>	<u>458,235</u>	<u>1,327,575</u>	<u>1,730,529</u>	<u>402,954</u>	<u>-</u>	<u>49,856</u>	<u>49,856</u>
Other financing sources (uses):									
Operating transfers in	2,175,000	2,414,797	239,797	172,350	172,000	(350)	-	-	-
Operating transfers out	(272,000)	(391,507)	(119,507)	(1,700,000)	(1,939,797)	(239,797)	-	-	-
Appropriation of prior year fund balance	-	-	-	200,075	-	200,075	-	-	-
Total other financing sources (uses)	<u>1,903,000</u>	<u>2,023,290</u>	<u>120,290</u>	<u>(1,327,575)</u>	<u>(1,767,797)</u>	<u>(40,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 578,525</u>	<u>\$ 578,525</u>	<u>\$ -</u>	<u>\$ (37,268)</u>	<u>\$ 362,882</u>	<u>\$ -</u>	<u>\$ 49,856</u>	<u>\$ 49,856</u>

See notes to general purpose financial statements.



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT) - ALL PROPRIETARY FUND TYPES

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Proprietary Fund Types</u>		Totals
	<u>Enterprise</u>	<u>Internal Service</u>	(Memorandum Only)
Operating revenues:			
Charges for services	\$ 7,971,483	\$ 1,472,342	\$ 9,443,825
Miscellaneous	25,556	18,199	43,755
Total operating revenues	<u>7,997,039</u>	<u>1,490,541</u>	<u>9,487,580</u>
Operating expenses:			
Operating expenses	1,702,034	-	1,702,034
Personnel services	2,158,140	210,542	2,368,682
Water and disposal costs	3,324,306	-	3,324,306
Cost of services	-	1,048,836	1,048,836
Depreciation and amortization	1,014,695	146,605	1,161,300
Miscellaneous	39,535	-	39,535
Total operating expenses	<u>8,238,710</u>	<u>1,405,983</u>	<u>9,644,693</u>
Operating income (loss)	<u>(241,671)</u>	<u>84,558</u>	<u>(157,113)</u>
Non-operating revenues (expenses):			
Interest income	47,741	-	47,741
Interest expense	(354,125)	-	(354,125)
Total non-operating expenses	<u>(306,384)</u>	<u>-</u>	<u>(306,384)</u>
Income (loss) before operating transfers	<u>(548,055)</u>	<u>84,558</u>	<u>(463,497)</u>
Operating transfers in	415,853	-	415,853
Operating transfers out	(790,853)	-	(790,853)
Operating transfers, net	<u>(375,000)</u>	<u>-</u>	<u>(375,000)</u>
Net income (loss)	(923,055)	84,558	(838,497)
Retained earnings (deficit), beginning	(90,990)	418,149	327,159
Residual equity transfer in	514,978	-	514,978
Add depreciation on contributed assets	<u>297,707</u>	<u>-</u>	<u>297,707</u>
Retained earnings (deficit), ending	<u>\$ (201,360)</u>	<u>\$ 502,707</u>	<u>\$ 301,347</u>

See notes to general purpose financial statements.



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Proprietary Fund Types</u>		Totals
	<u>Enterprise</u>	<u>Internal Service</u>	(Memorandum Only)
Cash flows from operating activities:			
Operating income (loss)	\$ (241,671)	\$ 84,558	\$ (157,113)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,014,695	146,605	1,161,300
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	52,239	(1,249)	50,990
Deferred charges	-	(64,053)	(64,053)
Due from other funds	151	(52,189)	(52,038)
Inventories	(12,494)	-	(12,494)
Other	-	64,046	64,046
Increase (decrease) in:			
Accounts payable	(155,167)	(11,531)	(166,698)
Accrued liabilities	(52,303)	(1,928)	(54,231)
Due to other funds	200,710	(70,968)	129,742
Customer deposits	(60,077)	-	(60,077)
Net cash provided by operating activities	<u>746,083</u>	<u>93,291</u>	<u>839,374</u>
Cash flows from non-capital financing activities:			
Operating transfers in	415,853	-	415,853
Operating transfers out	(631,753)	-	(631,753)
Residual equity transfers in	514,978	-	514,978
Net cash provided by non-capital financing activities	<u>299,078</u>	<u>-</u>	<u>299,078</u>
Cash flows from capital and related financing activities:			
Capital expenditures	(511,781)	(199,858)	(711,639)
Principal payments on debt	(320,000)	-	(320,000)
Interest paid	(513,229)	-	(513,229)
Net cash used in capital and related financing activities	<u>(1,345,010)</u>	<u>(199,858)</u>	<u>(1,544,868)</u>
Cash flows from investing activities:			
Interest received	47,741	-	47,741
Net cash provided by investing activities	<u>47,741</u>	<u>-</u>	<u>47,741</u>
Decrease in cash and cash equivalents	(252,108)	(106,567)	(358,675)
Cash and cash equivalents, beginning (including restricted cash and cash equivalents of \$1,208,400)	<u>1,649,826</u>	<u>108,449</u>	<u>1,758,275</u>
Cash and cash equivalents, ending (including restricted cash and cash equivalents of \$824,536)	<u>\$ 1,397,718</u>	<u>\$ 1,882</u>	<u>\$ 1,399,600</u>

See notes to general purpose financial statements.



# CITY OF MIAMI SPRINGS, FLORIDA

## STATEMENT OF CHANGES IN PLAN NET ASSETS PENSION TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

### ADDITIONS

#### Contributions:

Employer	\$ 63,549
Employee	220,437
State	44,271
Total contributions	<u>328,257</u>

#### Investment income:

Investment earnings	519,424
Less investment expenses	156,341
Net investment income	<u>363,083</u>
Total additions	<u>691,340</u>

### DEDUCTIONS

Benefit payments	701,203
Refunds	25,754
Administrative expenses	127,671
Total deductions	<u>854,628</u>

Net decrease (163,288)

#### Net assets held in trust for pension benefits:

Beginning of year	<u>30,856,144</u>
End of year	<u>\$ 30,692,856</u>

See notes to general purpose financial statements.



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**NOTES TO GENERAL PURPOSE  
FINANCIAL STATEMENTS**

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# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Miami Springs (the City) is a political subdivision of the State of Florida. The City, which was incorporated in 1926, is located in Miami-Dade County. The City operates under a Council-Manager form of government. In addition to public safety, general government, recreation and public works services provided to its residents, the City operates water, sewer sanitation and stormwater utilities and maintains various trust and agency funds in a fiduciary capacity. The City does not provide educational, fire or hospital facilities. Those services are provided by the Miami-Dade County School Board and Miami-Dade County, respectively.

The general purpose financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### 1. Financial Reporting Entity

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Based upon the application of these criteria, there were no organizations that met the criteria described above.

#### 2. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City has the following fund types and account groups:

##### **Governmental Fund Types**

*Governmental funds* are used to account for the City's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, intergovernmental revenue, licenses and interest are susceptible to accrual. Sales taxes collected and held by the state at fiscal year end on behalf of the City are also recognized as revenue. Other receipts and fees become measurable and available when cash is received by the City and recognized as revenue at that time.

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Resources are derived primarily from property and utility taxes and intergovernmental revenues. Expenditures are incurred to provide general government, public safety, public works, and recreation services.

The *special revenue funds* are used to account for revenues from specific taxes or other revenue sources that are designated to finance particular functions or activities in accordance with administrative requirements. The City has six special revenue funds: the Excise Tax Fund, Local Option Gas Tax Fund, Senior Center Fund, Grants Fund, Safe Neighborhoods Park Bond Fund and Hurricane Fund.

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary funds. The City maintains one debt service fund.

The *capital projects funds* account for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds. The City has one capital project fund.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

##### Governmental Fund Types (Continued)

###### Proprietary Fund Types

*Proprietary funds* are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989 except those that are contradicted by a Governmental Accounting Standards Board (GASB) pronouncement in accounting and reporting for its proprietary operations. The proprietary funds include the following fund types:

The *enterprise funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is for user charges to cover the costs of providing the services. The City has six enterprise funds: the Water Fund, Sewer Fund, Sanitation Fund, Stormwater Fund, Golf Course Operations Fund and 1998 Utility Refunding Bond Fund.

The *internal service funds* are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis. The City has three internal service funds: the Fleet Maintenance Fund, Computers and Telecommunications Fund and Liability Insurance Fund.

###### Fiduciary Fund Type

*Fiduciary funds* account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. Fiduciary funds include the following:

The *expendable trust fund* is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. The City has four expendable trust funds: the Criminal Justice Trust, Law Enforcement Trust, Miami Springs Recreation Trust and Police Trust.

The *pension trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The City has the following pension trust funds: General Employees and the Police and Firefighters Retirement Plans.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity. The City has one agency fund: the General Agency Fund.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3. Budgets And Budgetary Accounting

Annual appropriated budgets are adopted for the general fund and for three of the six special revenue funds and the debt service fund. The budget allocations among the various organizational units are included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- (a) The City Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed revenues and expenditures with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of a resolution.
- (d) The City Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated. However, there were supplemental appropriations totaling approximately \$1,564,000 during fiscal year 2001.
- (e) Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
- (f) Budgets for the general fund, the excise tax, local option gas tax and senior center special revenue funds and the debt service fund are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP).
- (g) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Council. The classification detail at which expenditures may not legally exceed appropriations is at the department level.
- (h) Unencumbered appropriations lapse at fiscal year end. Unencumbered amounts are reappropriated in the following year's budget.
- (i) Budgeted amounts are as originally adopted or as amended. Individual type amendments were not material in relation to the original appropriations.
- (j) Budget/GAAP Reconciliation – Special Revenue Funds

Deficiency of revenues over expenditures and other financing uses (GAAP)	\$(66,268)
Funds not budgeted	<u>29,000</u>
Excess of revenues over expenditures and other financing uses	<u>\$(37,268)</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 4. Pooled Cash and Cash Equivalents

The City maintains a pooled cash account for all funds except the pension trust funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash and cash equivalents represents the amount owned by each fund of the City. Cash and investments held in the City's pension trust funds are managed by trustees. Such amounts are reported separately on the Combined Balance Sheet -All Fund Types and Account Groups.

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand, demand deposits, a repurchase agreement, and investments with the Local Government Surplus Trust Fund administered by the State Board of Administration.

All investments of the City are reported at fair value as determined by quoted market prices. The State Board of Administration Investment Pool (2A-7 Pool) is reported at its fair value of its position in the pool, which is the same as the value of the pool shares.

#### 5. Inventories

Inventories of supplies held for use or consumption are recorded at cost (first-in, first-out basis). Inventory is recorded as an expenditure when the individual item is consumed (consumption method). Reported inventories for the general fund are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources even though they are a component of total assets.

#### 6. Fixed Assets

Fixed assets used in governmental fund types are recorded as expenditures at the time of purchase. Such assets are capitalized at historical cost in the general fixed assets account group. Certain public domain (infrastructure) general fixed assets, consisting of roads, bridges, curbs and gutters, and lighting systems are included in general fixed assets. Donated fixed assets are recorded in the general fixed assets account group at their fair market value at the date donated. Depreciation is not required and has not been provided on general fixed assets.

The fixed assets of the proprietary funds are recorded at cost in the respective enterprise fund and fleet maintenance internal service fund accounts.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 6. Fixed Assets (Continued)

Depreciation expense is provided on fixed assets recorded in the enterprise funds using the straight-line method over the estimated useful lives of the assets as follows:

Utility plant and systems	50 years
Golf course building and improvements	20-30 years
Furniture, fixtures, machinery and equipment	5-10 years
Water meters	10 years

When proprietary fund type fixed assets are disposed of, the related cost and accumulated depreciation is removed from the respective accounts, with gains or losses on disposition being reflected in income.

#### 7. Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and the department which the employee serves.

It is the City's sick leave policy is to permit employees to accumulate earned but unused sick pay benefits. Sick leave is accrued and reported as a fund liability when it is probable that the City will compensate the employee in the following fiscal year through cash benefits conditioned on the employee's termination or resignation. The remaining accumulated sick leave balance is accounted for in the general long-term debt account group.

The City's vacation policy is that earned vacation must be taken within one year of the employee's anniversary date, as there is no carryover from one period to another. Unused vacation pay, if any, is paid with the employee's termination or retirement. Those amounts estimated to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the appropriate fund.

#### 8. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 9. Deferred Revenues

Revenues collected in advance are deferred and recognized as income in the period earned. Deferred revenues consist of grant funds received in advance and not expended, prepaid occupational licenses, and refuse collection fees received that have been budgeted to pay expenditures of the subsequent fiscal year.

#### 10. Encumbrances

Encumbrances are recorded at the time a purchase order or other commitment is entered into. Encumbrances outstanding at year-end, if any, represent the estimated amount of expenditures to result if unperformed purchase orders and other commitments at year-end are completed. Appropriations lapse at year-end; however, the City generally intends to honor purchase orders and other commitments in process. As a result, encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities of the current period.

#### 11. Reserves and Designations

Fund balances are reserved to indicate that a portion of fund balance/retained earnings is not available for appropriation or is legally segregated for a specific future use. The description of each reserve indicates the purpose for which each was intended.

Designated fund balance indicates that a portion of fund equity has been segregated based on tentative plans of the City. Such plans or intent are subject to change.

Unreserved undesignated fund balance is the portion of fund equity available for any lawful use.

#### 12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

#### 13. Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year end are reported as "Due to/from other funds".

Transactions for services rendered are recorded as revenue in the receiving fund and as expenditures in the disbursing fund.

Transactions to transfer revenue of contributions from the fund budgeted to receive them to the fund budgeted to expend them are recorded as transfers in or out.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 14. Memorandum Only - Total Columns

Total columns on the combined financial statements which are captioned "Memorandum Only" aggregate the columnar amounts presented by fund type and account group and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

### NOTE 2. PROPERTY TAXES

Property taxes are assessed as of January 1 each year and are first billed (levied) and due the following November 1.

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board and special district property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws for the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The millage rate assessed by the City for the fiscal year ended September 30, 2001 was 7.95 mills.

The tax levy of the City is established by the City Council prior to October 1 of each year, and the County Property Appraiser incorporates the millage into the total tax levy, which includes Miami-Dade County, Miami-Dade County School Board and special taxing districts.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All real and tangible personal property taxes are due and payable on November 1 each year or as soon as practicable thereafter as the assessment roll is certified by the County Property Appraiser. Miami-Dade County mails to each property owner on the assessment roll a notice of the taxes due and Miami-Dade County also collects the taxes for the City. Taxes may be paid upon receipt of such notice from Miami-Dade County, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April 1 of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Miami-Dade County are provided for in the laws of Florida. There were no material delinquent property taxes at September 30, 2001.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS

#### *Deposits*

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized with securities held by the entity or its agent in the entity's name.

#### *Investments*

City administration is authorized to invest in those instruments authorized by the Florida statutes.

The pension trust funds are authorized to invest in equities, preferred stocks rated A or better by Moody's and/or Standard & Poor's, corporate debt securities rated BBB or better from Standard & Poor's and/or Baa or better from Moody's, obligations of the U.S. Government and its fully guaranteed agencies and debt issues convertible to equities.

The City's investments are categorized by type to give an indication of the level of credit risk assumed by the City. For financial reporting purposes, levels of risk defined by GASB Statement No. 3, include category (1) investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name; category (2) uninsured and unregistered, for which the securities are held by the counter party's trust department or agent in the City's name; or category (3) uninsured or unregistered, for which the securities are held by the counter party, or by its trust department or agent, but not in the City's name.

Investments that do not meet the above defined risk levels, such as investment pools managed by other governments or investments in mutual and common collective funds, are disclosed but not categorized as to their risk because they are not evidenced by securities.

The Local Government Surplus Funds Trust Fund is governed by CH. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2A-7 fund.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

#### *Investments* (Continued)

The City's investment balances at September 31, 2001 were as follows:

	<u>Category 1</u>
U.S. Treasury bonds and notes	\$ 5,781,230
Federal Agency bonds	4,355,856
Corporate bonds and notes	5,202,955
Common stocks	13,832,369
Certificate of deposit	1,463,570
Repurchase agreements	<u>1,773,195</u>
Total	32,409,175
Investments not subject to risk categorization:	
State Board of Administration Investment Pool	1,304,707
Money market funds	<u>1,136,713</u>
Total investments	<u>\$34,850,595</u>

A reconciliation of cash and investments as shown on the combined balance sheet for the City is as follows:

Carrying amount of deposits	\$ 462,435
Carrying amount of investments	<u>34,850,595</u>
Total	<u>\$35,313,030</u>
Cash and cash equivalents	\$ 3,852,513
Cash and cash equivalents - restricted	824,536
Investments	<u>30,635,981</u>
Total	<u>\$35,313,030</u>

### NOTE 4. RECEIVABLES

Receivables as of September 30, 2001, including the related allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust</u>	<u>Total</u>
Receivables:						
Accounts	\$ 86,137	\$ 24,078	\$974,998	\$5,537	\$ 142,88	\$1,233,630
Intergovernmental	34,494	551,379	-	-	-	585,873
Taxes and fees	-	16,677	-	-	-	16,677
Special assessments	-	-	4,920	-	-	4,920
Interest and dividends	-	-	-	-	249,690	249,690
Total receivables	<u>120,631</u>	<u>592,134</u>	<u>979,918</u>	<u>5,537</u>	<u>392,570</u>	<u>2,090,790</u>
Less allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>171,949</u>	<u>-</u>	<u>-</u>	<u>171,949</u>
Net receivables	<u>\$120,631</u>	<u>\$592,134</u>	<u>\$807,969</u>	<u>\$5,537</u>	<u>\$392,570</u>	<u>\$1,918,841</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

(Continued)

### NOTE 5. FIXED ASSETS

The following schedule summarizes the changes in general fixed assets for the fiscal year ended September 30, 2001:

	Balance September 30, <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2001</u>
General fixed assets:				
Land	\$ 258,137	\$115,000	\$ -	\$ 373,137
Building and building improvements	3,966,715	516,180	-	4,482,895
Machinery and equipment	<u>2,081,878</u>	<u>292,274</u>	<u>-</u>	<u>2,374,152</u>
Total	<u>\$6,306,730</u>	<u>\$923,454</u>	<u>\$ -</u>	<u>\$7,230,184</u>

Depreciation is not required and has not been provided on general fixed assets.

	Balance September 30, <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2001</u>
Proprietary funds:				
Utility plant and systems	\$19,382,293	\$ 381,956	\$ -	\$19,764,249
Machinery and equipment	2,914,896	241,839	-	3,156,735
Golf course	<u>5,244,889</u>	<u>103,553</u>	<u>-</u>	<u>5,348,442</u>
Total	<u>27,542,078</u>	<u>727,348</u>	<u>-</u>	<u>28,269,426</u>
Less accumulated depreciation	<u>10,787,524</u>	<u>1,094,848</u>	<u>-</u>	<u>11,882,372</u>
Total	<u>\$16,754,554</u>	<u>\$ 367,498</u>	<u>\$ -</u>	<u>\$16,387,054</u>

### NOTE 6. LONG-TERM DEBT

Long-term debt of the City is comprised of a revenue bond recorded in the Sewer Enterprise Fund; General Obligation Bonds and accumulated vacation and sick pay benefits are recorded in the General Long-Term Debt Account Group.

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
1997 General Obligation Bonds	9/18/97	2/1/13	4.00-5.10%
1998 Utility Systems Revenue Refunding and Improvement Bonds	5/1/98	9/1/21	3.75-4.85%

On September 18, 1997, the City issued \$5,000,000 of General Obligation Bonds for the purchase and renovation of the Miami Springs Golf Course and Country Club from the City of Miami.

On May 1, 1998, the City issued \$11,435,000 in Utility Systems Revenue Refunding and Improvement Bonds with interest rates ranging from 3.75% to 4.85% to advance refund \$7,515,000 of outstanding 1994 Series Refunding Bonds with interest rates ranging from 2.5% to 5%. The net proceeds of \$10,898,910 (after payment of \$426,193 in underwriting fees,



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 6. LONG-TERM DEBT (Continued)

insurance, and other costs) plus an additional \$844,590 from 1994 Series reserve fund monies were used to purchase allowable investments in the amount of \$7,506,914. The remaining bond proceeds of \$3,391,996 were used to purchase short-term allowable investments to be utilized for the acquiring, construction, renovating, installing and equipping additions and improvements to the collection and transmission facilities of the sewer system. The \$7,506,914 in securities was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Series bonds. As a result, the 1994 Series bonds are considered to be defeased and the liability for those bonds has been removed from the sewer fund.

In addition, unamortized costs from the 1994 Series bonds of approximately \$600,000 have been recorded as part of the net bonds payable at September 30, 1998 and are being amortized over the remaining life of the Series 1994 bonds using the effective interest method.

Debt service requirements to maturity for the fiscal year ending September 30 are summarized as follows:

	Revenue Bonds		General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 335,000	\$ 500,265	\$ 175,000	\$ 221,295	\$ 510,000	\$ 721,560
2003	350,000	486,362	185,000	213,463	535,000	699,825
2004	360,000	471,663	100,000	205,117	550,000	676,780
2005	375,000	456,362	200,000	196,292	575,000	652,655
2006	395,000	440,050	210,000	186,860	605,000	626,910
2007-2011	2,250,000	1,920,435	1,220,000	769,730	3,470,000	2,690,165
2012-2016	2,835,000	1,338,350	1,580,000	417,974	4,415,000	1,756,324
2017-2021	<u>3,610,000</u>	<u>559,000</u>	<u>760,000</u>	<u>40,810</u>	<u>4,370,000</u>	<u>599,810</u>
Total	<u>\$10,510,000</u>	<u>\$6,172,487</u>	<u>\$4,520,000</u>	<u>\$2,251,541</u>	<u>\$15,500,000</u>	<u>\$8,424,028</u>

A reconciliation of Revenue Bonds as shown on the combined balance sheet for the enterprise funds is as follows:

Revenue bonds – long-term portion	\$10,175,000
Revenue bonds - current portion	<u>335,000</u>
Total	<u>\$10,510,000</u>

### Changes in General Long-Term

The following schedule summarizes the changes in the general long-term debt account group for the year ended September 30, 2001:

	Balance September 30, 2000	Additions	Payments	Balance September 30, 2001
Accrued vacation and sick pay	\$ 611,270	\$ -	\$197,210	\$ 414,060
General obligation bonds	<u>4,685,000</u>	<u>-</u>	<u>165,000</u>	<u>4,520,000</u>
Total	<u>\$5,296,270</u>	<u>\$ -</u>	<u>\$362,210</u>	<u>\$4,934,060</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 6. LONG-TERM DEBT (Continued)

#### *Changes in General Long-Term* (Continued)

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. During the period, interest expense totaling \$513,224 was incurred on the 1998 Utility & Systems Revenue Refunding and Improvement Bonds. Capitalized interest as of September 30, 2001 was \$159,100.

### NOTE 7. CONTRIBUTED CAPITAL

Changes in contributed capital during the year was as follows:

	<u>Golf Course Operations</u>
Balance at September 30, 2000	\$4,584,836
Add back depreciation on contributed capital	<u>(297,707)</u>
Balance at September 30, 2001	<u>\$4,287,129</u>

### NOTE 8. ENTERPRISE FUNDS RESTRICTED ASSETS AND RESERVES

Restricted assets and liabilities of the enterprise funds at September 30, 2001 represent monies required to be restricted for renewal and replacement purposes under the terms of outstanding revenue bond agreements.

The assets restricted for renewal and replacement are for the cost of extension, improvements, additions, or replacement to the sewer system or any major maintenance or repair expenditure. The assets restricted for customer deposits in the amount of \$340,985 are held until the customer withdraws from the water and sewer system.

For certain assets restricted under bond agreements and other ordinances and agreements, a reserve is established by charging retained earnings in an amount equal to restricted assets less any related liabilities. When the related assets are expended, the reserves are restored to retained earnings. As of September 30, 2001, \$836,362 was reserved for debt service.

### NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no reductions in insurance coverage from coverages in the prior year and there have been no claims settled which have exceeded insurance coverage for each of the past three years.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 9. RISK MANAGEMENT (Continued)

The City through a separate internal service fund administers the following insurance program:

#### *Liability Insurance*

The public liability program is designed to cover all public liability type claims incurred, subject to the limitation established by the State of Florida Waiver of Sovereign Immunity Act. Insurance coverage is primarily provided by the Florida Municipal Liability Insurance Program supplemented by other policies and outside carriers. The program is funded through contributions from operating departments of the City, which are recorded as expenditures of the respective funds and as revenues in the liability insurance fund. The City's deductible portion of liability claims and premiums paid to insurers are charged to the funds as incurred.

### NOTE 10. DEFINED CONTRIBUTION PLAN

The City of Miami Springs 401(a) Money Purchase Plan is a defined contribution plan established by the City to provide benefits at retirement for certain employees of upper management. At September 30, 2001, there were three plan members, the City Manager, Assistant City Manager and the Finance Director. The City is required to contribute on behalf of each participant 14.89% of earnings for the plan year. Participants are not permitted to make contributions. City contributions fully vest in the year they are contributed. Plan provisions and contribution requirements are established and may be amended by the City Council.

The plan assets are administered by ICMA Retirement Corp. Participants are mailed quarterly statements or can obtain daily account balances through the Internet. The City does not exercise any control over the plan assets. Contributions were approximately \$34,000 for the year ended September 30, 2001.

### NOTE 11. EMPLOYEES' RETIREMENT SYSTEMS

#### **General Employees**

#### *Plan Description*

The City of Miami Springs (the City) is the administrator of a single-employer Public Employment Retirement System (PERS) established to provide pension benefits through a defined benefit pension plan for its general employees. The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The latest available actuarial report is as of October 1, 2000 (beginning of year valuation date). The Plan covers all full-time employees not eligible for the separate Police and Firefighters Retirement System. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Pension Plan. That report may be obtained by writing to the City of Miami Springs, Florida or by calling (305) 805-5000.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 11. EMPLOYEES' RETIREMENT SYSTEMS (Continued)

#### General Employees (Continued)

##### *Funding Policy*

Employees are required to contribute 5% of compensation and the City is required to contribute the amount in excess of employee contributions to pay the annual pension cost. The pension board establishes the required employee contribution. The City's contribution is limited to 10% of compensation paid to participants during the fiscal year. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1.

##### *Annual Pension Cost and Net Pension Asset*

The annual pension cost and net pension asset for the current year was as follows:

Annual required contribution	\$ 789
Interest on net pension asset	(2,466)
Adjustment to annual required contribution	<u>3,804</u>
Annual pension cost	<u>2,127</u>
Contributions made	<u>49,687</u>
Increase in net pension asset	<u>47,560</u>
Net pension asset, beginning of year	<u>30,823</u>
Net pension asset, end of year	<u>\$78,383</u>

The annual required contribution for the current year was determined as part of the October 1, 1999 actuarial valuation using the aggregate actuarial cost method. Due to the Plan using the Aggregate Actuarial cost method, a schedule of funding progress is not included as this method does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions included (a) 8% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 7% per year. Both (a) and (b) included an inflation component of 4%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using market value less unrecognized capital appreciation and recognized at the rate of 20% per year.

##### Three-Year Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Asset</u>
9/30/99	\$98,612	101%	\$31,673
9/30/00	86,149	121	30,823
9/30/01	2,127	100	78,383



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 11. EMPLOYEES' RETIREMENT SYSTEMS (Continued)

#### Police and Firefighters

##### *Plan Description*

The City of Miami Springs (the City) is the administrator of a single-employer Public Employee Retirement System (PERS) established to provide pension benefits through a defined benefit pension plan for its police officers and firefighters. The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The latest available actuarial report is as of October 1, 2000 (beginning of year valuation date). The PERS issues a publicly available financial report that includes financial statements and required supplementary information for the Police and Firefighter's Pension Plan. That report may be obtained by writing to the City of Miami Springs, Florida or by calling (305) 805-5000.

##### *Funding Policy*

The regular member contribution for both bargaining unit employees and non-bargaining unit managerial employees in that capacity after September 27, 1993 rate is 9% of earnings. If the combined City and member contributions required for a year are less than 14% of covered payroll, the difference under 14% shall be rounded to the nearest 0.1% of budgeted payroll. The resulting difference shall be divided in two, with plan members reducing their contribution rates by half the difference, and the City reducing its contribution by the remaining half for that fiscal year. However, if the combined City and member contributions for any one fiscal year exceed 18% of the budgeted payroll for police officers, the excess rate over 18% will be divided by two with plan members paying half of the excess and the City paying the other half for that fiscal year. Annual contributions are actuarially determined as specified by the Retirement Ordinance as of October 1.

##### *Annual Pension Cost and Net Pension Asset*

The annual pension cost and net pension asset for the current year was as follows:

Annual required contribution	\$49,703
Interest on net pension asset	(3,765)
Adjustment to annual required contribution	<u>4,928</u>
Annual pension cost	50,866
Contributions made	<u>58,133</u>
Increase in net pension asset	7,267
Net pension asset, beginning of year	<u>47,062</u>
Net pension asset, end of year	<u>\$54,329</u>

The annual required contribution for the current year was determined as part of the October 1, 1999 actuarial valuation using the aggregate actuarial cost method. Due to the Plan using the Aggregate Actuarial cost method, a schedule of funding progress is not included as this method does not identify or separately amortize unfunded actuarial liabilities. The actuarial



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 11. EMPLOYEES' RETIREMENT SYSTEMS (Continued)

#### Police and Firefighters (Continued)

#### *Annual Pension Cost and Net Pension Asset (Continued)*

assumptions included (a) 8% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 6.5% per year. Both (a) and (b) included an inflation component of 4%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the difference between actual and expected return recognized over five years.

#### Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Asset</u>
9/30/99	\$68,076	97%	\$48,049
9/30/00	57,093	105	47,062
9/30/01	50,866	114	54,329

### NOTE 12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Golf Course</u>	1998 <u>Utility Refunding Bond</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$1,244,847	\$ 3,494,878	\$1,525,108	\$263,764	\$1,468,442	\$ -	\$ 7,971,483
Depreciation and amortization expense	18,589	423,811	28,742	18,248	297,707	227,598	1,014,695
Operating income (loss)	170,119	296,844	16,757	82,832	(568,327)	(239,896)	(241,671)
Operating transfers in (out)	(200,000)	(465,853)	(75,000)	(50,000)	100,000	315,853	375,000
Net income (loss)	(29,881)	(503,600)	(58,243)	32,832	(466,159)	(101,996)	(923,055)
Property, plant and equipment:							
Additions	-	-	5,449	25,431	127,904	209,606	368,390
Net working capital (deficiency)	275,414	(2,124,115)	149,768	320,528	(743,978)	(7,253)	(2,134,636)
Total assets	808,617	8,851,110	578,006	864,631	4,548,785	3,667,437	9,318,586
Bonds payable	-	10,510,000	-	-	-	-	10,510,000
Retained earnings (deficit)	178,810	(4,461,098)	215,123	852,823	(639,730)	3,652,712	(201,360)
Total equity	178,810	(4,461,098)	215,123	852,823	3,647,399	3,652,712	4,085,769



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 13. DEFICIT FUND BALANCES

The following funds have deficit balances as of September 30, 2001:

Enterprise Funds:	
Sewer	\$4,461,098
Golf Course Operations	639,730

#### Sewer Enterprise Fund:

This deficit is an accumulation from prior years, however, ongoing improvements will assist in decreasing our deficit. The City is planning a rate adjustment to decrease this deficit.

#### Golf Course Operations:

The deficit in this fund has resulted from the first three years of operation. During the year, the City changed management firms for the Gold Course due to a lack of positive results. The City has closely scrutinized the Golf Course operation over the past three years. The City has proactively replaced two management firms, which failed to produce the desired results. The City is of the opinion that with the proper management firm in place, that the golf course will become a going concern and the deficit will be reduced.

### NOTE 14. CONTINGENCIES

#### *Litigation*

Various claims and lawsuits, which arose in the normal course of operations, are pending against the City. In the opinion of management and legal counsel, the outcome of these actions will not have a material adverse effect on the financial condition of the City.

#### *Contingent Liabilities*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 15. INTERFUND BALANCES

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Senior Center Fund	\$ 104,813
General	Grants Fund	73,000
General	Hurricane Fund	1,163
General	Water Fund	68,747
General	Sewer Fund	1,245,731
General	Sanitation Fund	230,458
General	Golf Course Operation	712,798
General	Fleet Maintenance Fund	220,629
General	Law Enforcement Trust Fund	527
General	Police and Fire	2,599
General	Internal Services Fund-Insurance Fund	22,376
Local Option	General Fund	10,545
Fleet Maintenance Fund	Senior Center	2,079
Fleet Maintenance Fund	Water Fund	5,291
Fleet Maintenance Fund	Sewer Fund	11,338
Fleet Maintenance Fund	Sanitation Fund	37,321
Fleet Maintenance Fund	Stormwater Fund	2,079
Comp. & Telecommunications	General Fund	27,052
Water	Sewer Fund	317,880
Sanitation	Sewer Fund	349,811
ISF Insurance	Comp. & Telecommunications	51,309
		<u>\$3,497,546</u>

### NOTE 16. COMMITMENTS

#### *LeJeune Road Flyover*

As a result of the State of Florida Department of Transportation's LeJeune Road Flyover Project, the City is required to relocate a section of its water and sewer lines. The cost to the City for the relocation will be approximately \$1,200,000, which will have a significant impact. This project is scheduled to begin mid fiscal year end 2002.

The City is currently negotiating a payment plan for the cost of the utility relocation. The loan will be repaid from the Water and Sewer funds.

#### *Operating Leases*

The City leases equipment under non-cancelable operating leases. Total costs for such leases were \$58,260 for the year ended September 30, 2001.



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

### NOTE 16. COMMITMENTS (Continued)

#### *Operating Leases* (Continued)

The future minimum lease payments are as follows:

Fiscal year ending September 30:	
2002	\$88,830
2003	88,830
2004	47,093
2005	<u>30,121</u>
Total	<u>\$25,874</u>

### NOTE 17. LINE OF CREDIT

On November 27, 1998, the City obtained a \$600,000 line of credit from a local bank that bears interest at the Wall Street Journal prime rate minus 1%. No funds were drawn on the line as of September 30, 2001.

### NOTE 18. RESIDUAL EQUITY TRANSFER

The City transferred \$514,988 from the general fund to the sewer fund through a residual equity transfer in order to fund the deficit over a five-year period.



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## **COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES**

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The financial statements presented in this section provide a more detailed view of the general purpose financial statements presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type.



## **GENERAL FUND**

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The General Fund is used to account for the general operations of the City, which are not accounted for in other funds. General operations include services of police protection, building and zoning, code enforcement, planning, public works, parks and recreation, senior center and administration of the City.



# CITY OF MIAMI SPRINGS, FLORIDA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variances Favorable (Unfavorable)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 4,339,783	\$ 4,186,507	\$ (153,276)
Delinquent ad valorem taxes	25,000	65,719	40,719
Total taxes	<u>4,364,783</u>	<u>4,252,226</u>	<u>(112,557)</u>
Licenses and permits:			
Occupational licenses	49,000	68,172	19,172
Building permits	70,000	63,381	(6,619)
Electrical permits	24,238	24,562	324
Plumbing permits	16,052	16,525	473
Roofing permits	47,414	54,375	6,961
Mechanical permits	13,500	17,506	4,006
Miscellaneous permits	<u>110,350</u>	<u>85,348</u>	<u>(25,002)</u>
Total licenses and permits	<u>330,554</u>	<u>329,869</u>	<u>(685)</u>
Intergovernmental:			
Sales tax	761,290	797,933	36,643
Cigarette taxes	180,292	180,624	332
Revenue sharing	-	-	-
Beverage licenses	8,052	8,112	60
Fuel tax	<u>115,395</u>	<u>123,904</u>	<u>8,509</u>
Total intergovernmental	<u>1,065,029</u>	<u>1,110,573</u>	<u>45,544</u>
Charges for services:			
Police	38,500	49,100	10,600
Program activity fees	14,500	10,444	(4,056)
Day care program	92,500	113,918	21,418
Swimming pool admissions	30,000	36,011	6,011
Tennis fees	20,862	11,116	(9,746)
Theater revenue	-	2,306	2,306
Administration	9,468	13,661	4,193
Miscellaneous	<u>7,968</u>	<u>12,489</u>	<u>4,521</u>
Total charges for services	<u>213,798</u>	<u>249,045</u>	<u>35,247</u>
Fines and forfeitures	<u>185,350</u>	<u>228,281</u>	<u>42,931</u>
Interest	<u>160,000</u>	<u>147,642</u>	<u>(12,358)</u>
Miscellaneous	<u>650,122</u>	<u>207,149</u>	<u>(442,973)</u>
Total revenues	<u>6,969,636</u>	<u>6,524,785</u>	<u>(444,851)</u>

(Continued)



# CITY OF MIAMI SPRINGS, FLORIDA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variances Favorable (Unfavorable)
Expenditures:			
General government:			
Legislative	\$ 285,843	\$ 275,132	\$ 10,711
Legal	79,500	79,193	307
City clerk	173,491	156,718	16,773
Personnel	179,718	179,516	202
Finance	418,200	408,067	10,133
Planning	125,399	111,649	13,750
Total general government	<u>1,262,151</u>	<u>1,210,275</u>	<u>51,876</u>
Public Safety:			
Police	3,939,954	3,691,144	248,810
Police crossing guards	16,743	10,574	6,169
Building and zoning and code enforcement	383,517	383,349	168
Total public safety	<u>4,340,214</u>	<u>4,085,067</u>	<u>255,147</u>
Public Works:			
Administrative	334,967	305,810	29,157
Streets and street lights maintenance	285,511	285,511	-
Park maintenance	778,562	682,954	95,608
Building maintenance	192,367	142,758	49,609
Total public works	<u>1,591,407</u>	<u>1,417,033</u>	<u>174,374</u>
Recreation and culture	<u>1,025,603</u>	<u>907,455</u>	<u>118,148</u>
Non-departmental	<u>653,261</u>	<u>349,720</u>	<u>303,541</u>
Total expenditures	<u>8,872,636</u>	<u>7,969,550</u>	<u>903,086</u>
Deficiency of revenues over expenditures	<u>(1,903,000)</u>	<u>(1,444,765)</u>	<u>458,235</u>
Other financing sources (uses):			
Operating transfers in	2,175,000	2,414,797	239,797
Operating transfers out	(272,000)	(391,507)	(119,507)
Total other financing sources	<u>1,903,000</u>	<u>2,023,290</u>	<u>120,290</u>
Excess of revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 578,525</u>	<u>\$ 578,525</u>



## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for revenues derived from specific sources that are legally restricted to expenditures for particular purposes.

**Excise Tax Fund.** This fund is used to account for franchise fees and excise taxes levied on public utilities, which provide services within the City. These funds are transferred to the general fund for any directed purpose. Excise taxes are a collateral pledge to secure payment of sewer revenue bonds.

**Local Option Gas Tax Fund.** This fund is used to account for expenditures for transportation related improvements.

**Senior Center Fund.** This fund is used to account for the financial management of programs funded under Title III of the Older Americans Act.

**Grants Fund.** This fund is used to account for monies provided to the City from an outside agency, other than routine revenues, which are normally slated to accomplish a specific project or task. Grant funds can either be an entitlement to which the City is qualified to receive by virtue of its existence, or discretionary which the City must compete for.

**Safe Neighborhoods Park Bond Fund.** This fund is used to account for Safe Neighborhoods Parks Bond funds received from the County and the related capital expenditures.

**Hurricane Fund.** This fund is used to account for FEMA funds received and the expenditures related thereto resulting from hurricane and tropical storm clean up and restoration.



# CITY OF MIAMI SPRINGS, FLORIDA

## SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET

SEPTEMBER 30, 2001

	Excise Tax Fund	Local Option Gas Tax Fund	Senior Center Fund	Grants Fund	Safe Neighborhood Parks Bond Fund	Hurricane Fund	Totals
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ 284,905	\$ 114,550	\$ 18,041	\$ -	\$ -	\$ 417,496
Accounts receivable	16,677	23,532	546	289,924	12,456	248,999	592,134
Due from other funds	-	10,545	-	-	-	-	10,545
Total assets	<u>\$ 16,677</u>	<u>\$ 318,982</u>	<u>\$ 115,096</u>	<u>\$ 307,965</u>	<u>\$ 12,456</u>	<u>\$ 248,999</u>	<u>\$ 1,020,175</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ -	\$ 360	\$ 591	\$ 224,070	\$ -	\$ 247,836	\$ 472,857
Accrued liabilities	-	11,136	7,398	10,895	11,940	-	41,369
Deferred revenue	-	-	-	-	516	-	516
Due to other funds	-	-	106,892	73,000	-	1,163	181,055
Total liabilities	<u>-</u>	<u>11,496</u>	<u>114,881</u>	<u>307,965</u>	<u>12,456</u>	<u>248,999</u>	<u>695,797</u>
Fund balances:							
Reserved for encumbrances	-	64,991	34,569	474,652	-	64,785	638,997
Unreserved fund balance (deficit)	16,677	242,495	(34,354)	(474,652)	-	(64,785)	(314,619)
Total fund balances (deficit)	<u>16,677</u>	<u>307,486</u>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,378</u>
Total liabilities and fund balances	<u>\$ 16,677</u>	<u>\$ 318,982</u>	<u>\$ 115,096</u>	<u>\$ 307,965</u>	<u>\$ 12,456</u>	<u>\$ 248,999</u>	<u>\$ 1,020,175</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	Excise Tax Fund	Local Option Gas Tax Fund	Senior Center Fund	Grants Fund	Safe Neighborhood Parks Bond Fund	Hurricane Fund	Totals
Revenues:							
Taxes	\$ 1,944,474	\$ 417,003	\$ -	\$ -	\$ -	\$ -	\$ 2,361,477
Intergovernmental	-	-	133,440	630,376	140,400	719,530	1,623,746
Charges for services	-	42,431	-	-	-	-	42,431
Total revenues	1,944,474	459,434	133,440	630,376	140,400	719,530	4,027,654
Expenditures:							
Operating	-	507,856	298,963	733,773	140,400	764,640	2,445,632
Excess (deficiency) of revenues over expenditures	1,944,474	(48,422)	(165,523)	(103,397)	-	(45,110)	1,582,022
Other financing sources (uses):							
Operating transfers in	-	-	172,000	95,043	-	24,464	291,507
Operating transfers out	(1,939,797)	-	-	-	-	-	(1,939,797)
Total other financing sources (uses)	(1,939,797)	-	172,000	95,043	-	24,464	(1,648,290)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	4,677	(48,422)	6,477	(8,354)	-	(20,646)	(66,268)
Fund balances (deficit), beginning	12,000	355,908	(6,262)	8,354	-	20,646	390,646
Fund balances (deficit), ending	\$ 16,677	\$ 307,486	\$ 215	\$ -	\$ -	\$ -	\$ 324,378



# CITY OF MIAMI SPRINGS, FLORIDA

## SPECIAL REVENUE FUNDS STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Excise Tax Fund</u>			<u>Local Option Gas Tax Fund</u>		
			Variance Favorable (Unfavorable)			Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>		<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:						
Taxes	\$ 1,700,000	\$ 1,944,474	\$ 244,474	\$ 399,000	\$ 417,003	\$ 18,003
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	10,000	42,431	32,431
Total revenues	1,700,000	1,944,474	244,474	409,000	459,434	50,434
Expenditures:						
Operating	-	-	-	609,075	507,856	101,219
Excess (deficiency) of revenues over expenditures	1,700,000	1,944,474	244,474	(200,075)	(48,422)	151,653
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(1,700,000)	(1,939,797)	(239,797)	-	-	-
Appropriation of prior year fund balance	-	-	-	200,075	-	200,075
Total other financing sources (uses)	(1,700,000)	(1,939,797)	(239,797)	200,075	-	200,075
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ -	\$ 4,677	\$ 4,677	\$ -	\$ (48,422)	\$ 351,728



# CITY OF MIAMI SPRINGS, FLORIDA

## SPECIAL REVENUE FUNDS STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Senior Center Fund</u>			<u>Totals</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 2,099,000	\$ 2,361,477	\$ 262,477
Intergovernmental	149,471	133,440	(16,031)	149,471	133,440	(16,031)
Charges for services	-	-	-	10,000	42,431	32,431
Total revenues	149,471	133,440	(16,031)	2,258,471	2,537,348	278,877
Expenditures:						
Operating	321,821	298,963	22,858	930,896	806,819	124,077
Excess (deficiency) of revenues over expenditures	<u>(172,350)</u>	<u>(165,523)</u>	<u>(38,889)</u>	<u>1,327,575</u>	<u>1,730,529</u>	<u>154,800</u>
Other financing source (uses):						
Operating transfers in	172,350	172,000	(350)	172,350	172,000	(350)
Operating transfers out	-	-	-	(1,700,000)	(1,939,797)	(239,797)
Appropriation of prior year fund balance	-	-	-	200,075	-	200,075
Total other financing sources (uses)	<u>172,350</u>	<u>172,000</u>	<u>(350)</u>	<u>(1,327,575)</u>	<u>(1,767,797)</u>	<u>(40,072)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 6,477</u>	<u>\$ 6,477</u>	<u>\$ -</u>	<u>\$ (37,268)</u>	<u>\$ (37,268)</u>



## ENTERPRISE FUNDS

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Enterprise Funds are used to account for functions that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods and services be financed or recovered primarily through user charges.

**Water, Sewer, Sanitation and Stormwater Utility Funds.** These funds have been established to account for the provisions of water, sewer, sanitation and stormwater services to the residents of the City and portions of bordering areas. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt servicing, billing and collection.

**Golf Course Operations.** This fund was established to account for the general operations of the City of Miami Springs Golf Course and Country Club.

**1998 Utility Refunding Bonds Fund.** This fund was established to account for costs associated with the acquiring, construction, renovating, installing and equipping additions and improvements to the collection and transmission facilities of the Sewer System.



# CITY OF MIAMI SPRINGS, FLORIDA

## ENTERPRISE FUNDS COMBINING BALANCE SHEET

SEPTEMBER 30, 2001

	Water	Sewer	Sanitation	Stormwater	Golf Course Operations	1998 Utility Refunding Bonds	Totals
<u>ASSETS</u>							
Current assets:							
Cash and cash equivalents	\$ 3,775	\$ 209,130	\$ 11,618	\$ 293,043	\$ 52,164	\$ 3,452	\$ 573,182
Receivables:							
Accounts, net	166,406	443,736	148,150	36,987	7,770	-	803,049
Other	4,920	-	-	-	-	-	4,920
Due from other funds	317,880	-	349,811	-	-	-	667,691
Inventories	68,235	23,247	3,072	2,306	35,634	-	132,494
Total current assets	561,216	676,113	512,651	332,336	95,568	3,452	2,181,336
Restricted assets:							
Cash and cash equivalents	-	824,536	-	-	-	-	824,536
Deferred charges	-	483,144	-	-	-	-	483,144
Fixed assets, net	247,401	6,867,317	65,355	532,295	4,453,217	3,663,985	15,829,570
Total assets	<u>\$ 808,617</u>	<u>\$ 8,851,110</u>	<u>\$ 578,006</u>	<u>\$ 864,631</u>	<u>\$ 4,548,785</u>	<u>\$ 3,667,437</u>	<u>\$ 19,318,586</u>
<u>LIABILITIES AND EQUITY</u>							
Liabilities:							
Current liabilities:							
Accounts payable	\$ 189,371	\$ 854,623	\$ 2,730	\$ 4,405	\$ 109,872	\$ 9,742	\$ 1,170,743
Accrued liabilities	27,394	20,845	92,374	5,324	16,876	963	163,776
Due to other funds	74,037	1,924,760	267,779	2,079	712,798	-	2,981,453
Total current liabilities	290,802	2,800,228	362,883	11,808	839,546	10,705	4,315,972
Current liabilities payable from restricted assets:							
Current portion of bonds payable	-	335,000	-	-	-	-	335,000
Other liabilities	-	-	-	-	61,840	4,020	65,860
Customer deposits	339,005	1,980	-	-	-	-	340,985
Total current liabilities payable from restricted assets	339,005	336,980	-	-	61,840	4,020	741,845
Long-term liabilities - revenue bonds payable	-	10,175,000	-	-	-	-	10,175,000
Total liabilities	629,807	13,312,208	362,883	11,808	901,386	14,725	15,232,817
Equity:							
Contributed capital	-	-	-	-	4,287,129	-	4,287,129
Retained earnings (deficit):							
Reserved for debt service	-	836,362	-	-	-	-	836,362
Unreserved (deficit)	178,810	(5,297,460)	215,123	852,823	(639,730)	3,652,712	(1,037,722)
Total retained earnings (deficit)	178,810	(4,461,098)	215,123	852,823	(639,730)	3,652,712	(201,360)
Total equity (deficiency)	178,810	(4,461,098)	215,123	852,823	3,647,399	3,652,712	4,085,769
Total liabilities and equity	<u>\$ 808,617</u>	<u>\$ 8,851,110</u>	<u>\$ 578,006</u>	<u>\$ 864,631</u>	<u>\$ 4,548,785</u>	<u>\$ 3,667,437</u>	<u>\$ 19,318,586</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## ENTERPRISE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Golf Course Operations</u>	<u>1998 Utility Refunding Bonds</u>	<u>Totals</u>
Operating revenues:							
Charges for services	\$ 1,244,847	\$ 3,494,878	\$ 1,525,108	\$ 238,208	\$ 1,468,442	\$ -	\$ 7,971,483
Miscellaneous income	-	-	-	25,556	-	-	25,556
	<u>1,244,847</u>	<u>3,494,878</u>	<u>1,525,108</u>	<u>263,764</u>	<u>1,468,442</u>	<u>-</u>	<u>7,997,039</u>
Operating expenses:							
Operating expenses	216,031	257,913	176,254	83,797	957,369	10,670	1,702,034
Personnel services	274,786	259,706	761,440	78,887	781,693	1,628	2,158,140
Water and disposal costs	565,322	2,217,069	541,915	-	-	-	3,324,306
Depreciation and amortization	18,589	423,811	28,742	18,248	297,707	227,598	1,014,695
Miscellaneous	-	39,535	-	-	-	-	39,535
Total operating expenses	<u>1,074,728</u>	<u>3,198,034</u>	<u>1,508,351</u>	<u>180,932</u>	<u>2,036,769</u>	<u>239,896</u>	<u>8,238,710</u>
Operating income (loss)	<u>170,119</u>	<u>296,844</u>	<u>16,757</u>	<u>82,832</u>	<u>(568,327)</u>	<u>(239,896)</u>	<u>(241,671)</u>
Non-operating revenues (expenses):							
Interest income	-	19,534	-	-	2,168	26,039	47,741
Interest expense	-	(354,125)	-	-	-	-	(354,125)
Total non-operating revenues (expenses)	<u>-</u>	<u>(334,591)</u>	<u>-</u>	<u>-</u>	<u>2,168</u>	<u>26,039</u>	<u>(306,384)</u>
Net income (loss) before operating transfers	170,119	(37,747)	16,757	82,832	(566,159)	(213,857)	(548,055)
Operating transfers in	-	-	-	-	100,000	315,853	415,853
Operating transfers out	<u>(200,000)</u>	<u>(465,853)</u>	<u>(75,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(790,853)</u>
Net income (loss)	(29,881)	(503,600)	(58,243)	32,832	(466,159)	101,996	(923,055)
Retained earnings (deficit), beginning	185,776	(4,372,742)	196,547	819,991	(471,278)	3,550,716	(90,990)
Residual equity transfer	22,915	415,244	76,819	-	-	-	514,978
Add depreciation on contributed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,707</u>	<u>-</u>	<u>297,707</u>
Retained earnings (deficit), ending	<u>\$ 178,810</u>	<u>\$ (4,461,098)</u>	<u>\$ 215,123</u>	<u>\$ 852,823</u>	<u>\$ (639,730)</u>	<u>\$ 3,652,712</u>	<u>\$ (201,360)</u>



## ENTERPRISE FUNDS

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Enterprise Funds are used to account for functions that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods and services be financed or recovered primarily through user charges.

**Water, Sewer, Sanitation and Stormwater Utility Funds.** These funds have been established to account for the provisions of water, sewer, sanitation and stormwater services to the residents of the City and portions of bordering areas. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt servicing, billing and collection.

**Golf Course Operations.** This fund was established to account for the general operations of the City of Miami Springs Golf Course and Country Club.

**1998 Utility Refunding Bonds Fund.** This fund was established to account for costs associated with the acquiring, construction, renovating, installing and equipping additions and improvements to the collection and transmission facilities of the Sewer System.



# CITY OF MIAMI SPRINGS, FLORIDA

## ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Golf Course Operations</u>	<u>1998 Utility Refunding Bonds</u>	<u>Totals</u>
Cash flows from operating activities:							
Operating income (loss)	\$ 170,119	\$ 296,844	\$ 16,757	\$ 82,832	\$ (568,327)	\$ (239,896)	\$ (241,671)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	18,589	423,811	28,742	18,248	297,707	227,598	1,014,695
Changes in operating assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	(53,859)	90,643	17,508	3,154	(5,207)	-	52,239
Due from other funds	-	-	-	-	151	-	151
Inventories	(11,590)	(1,757)	(3,071)	(1,337)	5,261	-	(12,494)
Increase (decrease) in:							
Accounts payable	18,462	(181,722)	(62,956)	4,406	56,640	10,003	(155,167)
Accrued liabilities	1,643	(16,939)	(28,576)	(9,123)	692	-	(52,303)
Due to other funds	26,605	(82,242)	24,665	2,079	229,603	-	200,710
Customer deposits	<u>9,391</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>6,319</u>	<u>(76,287)</u>	<u>(60,077)</u>
Net cash provided by (used in) operating activities	<u>179,360</u>	<u>529,138</u>	<u>(6,931)</u>	<u>100,259</u>	<u>22,839</u>	<u>(78,582)</u>	<u>746,083</u>
Cash flows from non-capital financing activities:							
Operating transfers in	-	-	-	-	100,000	315,853	415,853
Operating transfers out	(200,000)	(306,753)	(75,000)	(50,000)	-	-	(631,753)
Residual equity transfers in	<u>22,915</u>	<u>415,244</u>	<u>76,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,978</u>
Net cash provided by (used in) non-capital financing activities	<u>(177,085)</u>	<u>108,491</u>	<u>1,819</u>	<u>(50,000)</u>	<u>100,000</u>	<u>315,853</u>	<u>299,078</u>
Cash flows from capital and related financing activities:							
Capital expenditures	-	-	(5,449)	(24,594)	(127,903)	(353,835)	(511,781)
Principal payments on debt	-	(320,000)	-	-	-	-	(320,000)
Interest paid	<u>-</u>	<u>(513,229)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(513,229)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(833,229)</u>	<u>(5,449)</u>	<u>(24,594)</u>	<u>(127,903)</u>	<u>(353,835)</u>	<u>(1,345,010)</u>
Cash flows from investing activities:							
Interest received	<u>-</u>	<u>19,534</u>	<u>-</u>	<u>-</u>	<u>2,168</u>	<u>26,039</u>	<u>47,741</u>
Net cash provided by investing activities	<u>-</u>	<u>19,534</u>	<u>-</u>	<u>-</u>	<u>2,168</u>	<u>26,039</u>	<u>47,741</u>
Increase (decrease) in cash and cash equivalents	2,275	(176,066)	(10,561)	25,665	(2,896)	(90,525)	(252,108)
Cash and cash equivalents, beginning	<u>1,500</u>	<u>1,209,732</u>	<u>22,179</u>	<u>267,378</u>	<u>55,060</u>	<u>93,977</u>	<u>1,649,826</u>
Cash and cash equivalents, ending (including restricted cash and cash equivalents of \$824,536)	<u>\$ 3,775</u>	<u>\$ 1,033,666</u>	<u>\$ 11,618</u>	<u>\$ 293,043</u>	<u>\$ 52,164</u>	<u>\$ 3,452</u>	<u>\$ 1,397,718</u>



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## INTERNAL SERVICE FUNDS

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Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost reimbursement basis.

**Fleet Maintenance.** This fund is used to account for the costs of repairs and maintenance of vehicles and heavy equipment for the various funds.

**Group Health Insurance Fund.** This fund is used to account for the collection of resources from City and employee health insurance contributions and the payment of insurance premiums (closed in fiscal 2000).

**Computers and Telecommunications Fund.** This fund is used to account for the collection of resources from City contributions and the payment of the acquisition and maintenance of the City's computer and telephone systems.

**Liability Insurance Fund.** This fund is used to account for the collection of resources from City contributions and the payment of administration, legal claims and insurance premiums.



# CITY OF MIAMI SPRINGS, FLORIDA

## INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

SEPTEMBER 30, 2001

	<u>Fleet Maintenance</u>	<u>Computers and Telecom.</u>	<u>ISF Insurance</u>	<u>Totals</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,882	\$ -	\$ -	\$ 1,882
Accounts receivable	5,537	-	-	5,537
Deferred charges	-	-	64,053	64,053
Due from other funds	58,108	27,052	51,309	136,469
Inventories	62,988	-	-	62,988
Total current assets	128,515	27,052	115,362	270,929
Fixed assets, net	532,465	25,019	-	557,484
Total assets	<u>\$ 660,980</u>	<u>\$ 52,071</u>	<u>\$ 115,362</u>	<u>\$ 828,413</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Accounts payable	\$ 6,429	\$ 762	\$ 325	\$ 7,516
Accrued liabilities	23,791	-	85	23,876
Due to other funds	220,629	51,309	22,376	294,314
Total liabilities	250,849	52,071	22,786	325,706
Equity:				
Retained earnings	410,131	-	92,576	502,707
Total equity	410,131	-	92,576	502,707
Total liabilities and equity	<u>\$ 660,980</u>	<u>\$ 52,071</u>	<u>\$ 115,362</u>	<u>\$ 828,413</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Fleet Maintenance</u>	<u>Computers and Telecom.</u>	<u>Liability Insurance</u>	<u>Totals</u>
Operating revenues:				
Charges for services	\$ 763,902	\$ 253,989	\$ 454,451	\$ 1,472,342
Miscellaneous	18,199	-	-	18,199
Total operating revenues	<u>782,101</u>	<u>253,989</u>	<u>454,451</u>	<u>1,490,541</u>
Operating expenses:				
Operating expenses	381,600	225,313	441,923	1,048,836
Personnel services	182,973	14,299	13,270	210,542
Depreciation	132,228	14,377	-	146,605
Total operating expenses	<u>696,801</u>	<u>253,989</u>	<u>455,193</u>	<u>1,405,983</u>
Net income (loss)	85,300	-	(742)	84,558
Retained earnings, beginning	<u>324,831</u>	<u>-</u>	<u>93,318</u>	<u>418,149</u>
Retained earnings, ending	<u>\$ 410,131</u>	<u>\$ -</u>	<u>\$ 92,576</u>	<u>\$ 502,707</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FISCAL YEAR ENDED SEPTEMBER 30, 2001

	<u>Fleet Maintenance</u>	<u>Computers and Telecom.</u>	<u>Liability Insurance</u>	<u>Totals</u>
Cash flows from operating activities:				
Operating income (loss)	\$ 85,300	\$ -	\$ (742)	\$ 84,558
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	132,228	14,377	-	146,605
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(1,249)	-	-	(1,249)
Deferred charges	-	-	(64,053)	(64,053)
Due from other funds	(58,108)	(27,052)	32,971	(52,189)
Other	64,046	-	-	64,046
Increase (decrease) in:				
Accounts payable	(4,781)	(7,074)	324	(11,531)
Accrued liabilities	(1,928)	-	-	(1,928)
Due to other funds	(60,373)	(32,971)	22,376	(70,968)
Net cash provided by (used in) operating activities	155,135	(52,720)	(9,124)	93,291
Cash flows from capital and related financing activities:				
Capital expenditures	(184,265)	(15,593)	-	(199,858)
Increase (decrease) in cash and cash equivalents	(29,130)	(68,313)	(9,124)	(106,567)
Cash and cash equivalents, beginning	31,012	68,313	9,124	108,449
Cash and cash equivalents, ending	<u>\$ 1,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,882</u>



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## TRUST AND AGENCY FUNDS

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Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and other funds.

### EXPENDABLE TRUST FUNDS

**Criminal Justice Fund.** This fund is used to account for funds to educate and train local police officers.

**Law Enforcement Trust Fund.** This fund is used to account for proceeds from the sale of forfeited property to be used for law enforcement purposes only.

**Miami Springs Recreation Trust Fund.** This fund is used to account for donations that are received for designated or undesignated recreation purposes.

**Police Trust.** This fund is used to account for donations that are received for Drug Abuse Resistance Education (DARE) programs.

### PENSION TRUST FUNDS

**General Employees and Police and Firefighters Retirement Funds.** These funds are used to account for the accumulation of resources to be used for retirement benefits to eligible pensioners or their beneficiaries. Resources are contributed by employees based on a percentage of their compensation and by the City based on an annual actuarial valuation.

### AGENCY FUND

**General Agency Fund.** This fund is used to account assets held by the City as an agent for individuals, private organizations and other governments.



# CITY OF MIAMI SPRINGS, FLORIDA

## TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET

SEPTEMBER 30, 2001

	<u>Expendable Trust Funds</u>				<u>Pension Trust Funds</u>		<u>Agency Fund</u>	
	Criminal	Law	Miami	Police	General	Police and		
	<u>Justice</u>	<u>Enforcement</u>	<u>Springs Recreation</u>	<u>Trust</u>	<u>Employees Retirement</u>	<u>Firefighters Retirement</u>	<u>General</u>	<u>Totals</u>
<u>ASSETS</u>								
Cash and cash equivalents	\$ 15,066	\$ 352,887	\$ 32,457	\$ 91,611	\$ 436,611	\$ 700,102	\$ 46,742	\$ 1,675,476
Investments	-	1,463,570	-	-	11,537,622	17,634,789	-	30,635,981
Receivables:								
Accrued interest and dividends	-	-	-	-	93,722	155,968	-	249,690
Miscellaneous	-	-	-	-	56,222	86,658	-	142,880
Other assets	-	1,000	-	-	-	-	-	1,000
Total assets	<u>\$ 15,066</u>	<u>\$ 1,817,457</u>	<u>\$ 32,457</u>	<u>\$ 91,611</u>	<u>\$ 12,124,177</u>	<u>\$ 18,577,517</u>	<u>\$ 46,742</u>	<u>\$ 32,705,027</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 39,400	\$ -	\$ -	\$ 6,238	\$ -	\$ 46,742	\$ 92,380
Other liabilities		23,649						23,649
Due to other funds	-	527	-	-	-	2,600	-	3,127
Total liabilities	<u>-</u>	<u>63,576</u>	<u>-</u>	<u>-</u>	<u>6,238</u>	<u>2,600</u>	<u>46,742</u>	<u>119,156</u>
Fund balances:								
Reserved for employees pension benefits	-	-	-	-	12,117,939	18,574,917	-	30,692,856
Reserved for encumbrances	-	57,537	-	-	-	-	-	57,537
Unreserved, undesignated	15,066	1,696,344	32,457	91,611	-	-	-	1,835,478
Total fund balances	<u>15,066</u>	<u>1,753,881</u>	<u>32,457</u>	<u>91,611</u>	<u>12,117,939</u>	<u>18,574,917</u>	<u>-</u>	<u>32,585,871</u>
Total liabilities and fund balances	<u>\$ 15,066</u>	<u>\$ 1,817,457</u>	<u>\$ 32,457</u>	<u>\$ 91,611</u>	<u>\$ 12,124,177</u>	<u>\$ 18,577,517</u>	<u>\$ 46,742</u>	<u>\$ 32,705,027</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES EXPENDABLE TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	Criminal <u>Justice</u>	Law <u>Enforcement</u>	Miami Springs <u>Recreation</u>	Police <u>Trust</u>	<u>Totals</u>
Revenues:					
Fines and forfeitures	\$ 5,735	\$ 373,474	\$ 4,293	\$ 3,751	\$ 387,253
Expenditures:					
Capital outlay	-	353,603	-	-	353,603
Non-departmental:					
Education and training	-	103,076	-	-	103,076
Total expenditures	-	456,679	-	-	456,679
Excess (deficiency) of revenues over expenditures	5,735	(83,205)	4,293	3,751	(69,426)
Fund balances, beginning	9,331	1,837,086	28,164	87,860	1,962,441
Fund balances, ending	\$ 15,066	\$ 1,753,881	\$ 32,457	\$ 91,611	\$ 1,893,015



# CITY OF MIAMI SPRINGS, FLORIDA

## PENSION TRUST FUNDS COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	General Employees <u>Retirement</u>	Police and Firefighters <u>Retirement</u>	<u>Totals</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 49,687	\$ 13,862	\$ 63,549
Employees	150,165	70,272	220,437
State	-	44,271	44,271
Total contributions	<u>199,852</u>	<u>128,405</u>	<u>328,257</u>
Investment income:			
Investment earnings	185,834	333,590	519,424
Less investment expenses	<u>61,878</u>	<u>94,463</u>	<u>156,341</u>
Net investment income	<u>123,956</u>	<u>239,127</u>	<u>363,083</u>
Total additions	<u>323,808</u>	<u>367,532</u>	<u>691,340</u>
<b>DEDUCTIONS</b>			
Benefit payments	311,537	389,666	701,203
Refunds	25,754	-	25,754
Administrative expenses	<u>64,075</u>	<u>63,596</u>	<u>127,671</u>
Total deductions	<u>401,366</u>	<u>453,262</u>	<u>854,628</u>
Net decrease	(77,558)	(85,730)	(163,288)
Net assets held in trust for pension benefits:			
Beginning of year	<u>12,195,497</u>	<u>18,660,647</u>	<u>30,856,144</u>
End of year	<u>\$ 12,117,939</u>	<u>\$ 18,574,917</u>	<u>\$ 30,692,856</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## GENERAL AGENCY FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	Balance September 30, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2001</u>
Assets:				
Cash	\$ -	\$ 46,742	\$ -	\$ 46,742
Other assets	500	-	500	-
Total assets	<u>\$ 500</u>	<u>\$ 46,742</u>	<u>\$ 500</u>	<u>\$ 46,742</u>
Liabilities:				
Accounts payable	<u>\$ 500</u>	<u>\$ 46,242</u>	<u>\$ -</u>	<u>\$ 46,742</u>
Total liabilities	<u>\$ 500</u>	<u>\$ 46,242</u>	<u>\$ -</u>	<u>\$ 46,742</u>



## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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The general fixed assets group reports those fixed assets used for general governmental purposes which include substantially all land, buildings and major equipment not accounted for in the proprietary funds.



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

SEPTEMBER 30, 2001

### General fixed assets:

Land	\$ 373,137
Building and building improvements	4,482,895
Furniture, fixtures, machinery and equipment	<u>2,374,152</u>
Total general fixed assets	<u>\$ 7,230,184</u>

### Investment in general fixed assets:

General fund	\$ 5,696,770
Grants	1,493,296
Donations	<u>40,118</u>
Total investment in general fixed assets	<u>\$ 7,230,184</u>



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2001

<u>Function and Activity</u>	<u>Land</u>	<u>Building and Building Improvements</u>	<u>Furniture, Fixtures, Machinery and Equipment</u>	<u>Total</u>
General Government:				
Legislative	\$ -	\$ -	\$ 30,814	\$ 30,814
Executive	-	-	25,272	25,272
Administrative departments:				
Finance	-	2,453	208,238	210,691
Building zoning/code enforcement	-	1,963	63,497	65,460
Public works administration	-	962,996	128,654	1,091,650
General government	209,400	2,145,879	278,651	2,633,930
Total administrative departments	209,400	3,113,291	679,040	4,001,731
Total general government	209,400	3,113,291	735,126	4,057,817
Police protection	-	-	692,468	692,468
Streets	-	16,249	104,300	120,549
Parks	-	178,329	302,560	480,889
Senior citizens	-	114,380	86,722	201,102
Vehicle maintenance	16,067	-	-	16,067
Building maintenance	-	38,420	22,180	60,600
Recreation	27,225	742,996	186,406	956,627
Personnel	-	-	6,001	6,001
Planning	-	-	14,370	14,370
Community affairs	-	-	15,752	15,752
Law Enforcement Trust	120,445	279,230	208,267	607,942
Total general fixed assets	\$ 373,137	\$ 4,482,895	\$ 2,374,152	\$ 7,230,184



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FISCAL YEAR ENDED SEPTEMBER 30, 2001

<u>Function and Activity</u>	Balance September 30, <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2001</u>
General government:				
Legislative	\$ 30,814	\$ -	\$ -	\$ 30,814
Executive	25,272	-	-	25,272
Administrative departments:				
Finance	210,691	-	-	210,691
Building zoning/code enforcement	60,829	4,631	-	65,460
Public works administration	1,090,447	1,203	-	1,091,650
General government	<u>2,454,845</u>	<u>179,085</u>	<u>-</u>	<u>2,633,930</u>
Total administrative departments	<u>3,816,812</u>	<u>184,919</u>	<u>-</u>	<u>4,001,731</u>
Total general government	3,872,898	184,919	-	4,057,817
Police protection	660,357	32,111	-	692,468
Streets	116,594	3,955	-	120,549
Parks	248,589	232,300	-	480,889
Senior citizens	144,718	56,384	-	201,102
Vehicle maintenance	16,067	-	-	16,067
Building maintenance	60,600	-	-	60,600
Recreation	904,691	51,936	-	956,627
Personnel	6,001	-	-	6,001
Planning	6,154	8,216	-	14,370
Community affairs	15,752	-	-	15,752
Law Enforcement Trust	<u>254,309</u>	<u>353,633</u>	<u>-</u>	<u>607,942</u>
Total general fixed assets	<u>\$ 6,306,730</u>	<u>\$ 923,454</u>	<u>\$ -</u>	<u>\$ 7,230,184</u>



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## **STATISTICAL SECTION**

### **(Unaudited)**

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This statistical section is intended to provide the user with a more complete understanding of the City and its financial affairs. The statistical tables in this section provide accounting data, as well as non-accounting data, on social and economic characteristics usually covering more than one fiscal year.



# CITY OF MIAMI SPRINGS, FLORIDA

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Recreation and Culture</u>	<u>Non- Departmental and Capital Outlay</u>	<u>Total</u>
1992	\$ 935,132	\$ 3,119,399	\$ 1,163,700	\$ 646,978	\$ 51,766	\$ 5,916,975
1993	1,077,921	3,280,462	1,414,467	780,272	48,471	6,601,593
1994	1,014,963	3,208,216	1,201,369	727,236	588,000	6,739,784
1995	1,165,266	3,281,455	1,162,778	933,690	252,685	6,795,874
1996	1,090,532	3,252,915	1,183,603	850,520	521,790	6,899,360
1997	1,218,916	3,507,996	1,142,522	796,484	234,581	6,900,499
1998	1,031,496	3,631,211	1,320,299	760,635	68,243	6,811,884
1999	1,170,764	3,686,148	1,400,152	810,038	230,570	7,297,672
2000	1,139,880	3,935,295	1,306,267	743,645	525,564	7,650,651
2001	1,200,515	4,052,125	1,413,852	866,281	436,777	7,969,550

Note: General Fund Only



# CITY OF MIAMI SPRINGS, FLORIDA

## GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
1992	\$ 2,495,570	\$ 214,224	\$ 1,294,306	\$ 473,645	\$ 144,242	\$ 54,631	\$ -	\$ 4,676,618
1993	2,714,416	245,774	1,190,177	531,739	161,167	28,729	20,189	4,892,191
1994	3,186,684	245,449	966,355	677,337	141,588	41,706	18,097	5,277,216
1995	3,201,718	231,713	986,645	261,763	158,306	100,197	115,358	5,055,700
1996	3,335,410	382,800	998,617	269,957	185,704	106,063	55,047	5,333,598
1997	3,428,889	442,316	994,908	230,906	190,325	141,286	111,001	5,539,631
1998	3,550,445	495,800	1,041,652	222,028	191,978	119,602	65,934	5,687,439
1999	3,593,494	372,971	1,044,169	222,127	236,447	99,994	98,811	5,668,013
2000	4,008,871	397,977	1,104,679	218,598	205,608	175,049	65,383	6,176,165
2001	4,252,226	329,869	1,110,573	249,045	228,281	147,642	207,149	6,524,785

Note: General Fund only



# CITY OF MIAMI SPRINGS, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTION LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Adjusted Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections Tax Levy</u>
1992	\$ 2,549,000	\$ 2,486,869	97.6	\$ 8,700	\$ 2,495,569	97.9
1993	2,789,960	2,674,444	95.9	39,972	2,714,416	97.3
1994	2,995,000	2,932,308	97.9	254,377 (1)	3,186,685	106.4
1995	3,206,060	3,182,814	99.3	18,904	3,201,718	99.9
1996	3,315,000	3,222,080	97.2	113,330	3,335,410	100.6
1997	3,412,532	3,293,225	96.5	135,664	3,428,889	100.5
1998	3,834,771	3,466,732	90.4	93,712	3,560,444	92.8
1999	3,685,761	3,524,806	95.6	55,586	3,580,392	97.1
2000	4,139,585	3,831,268	92.6	177,603	4,008,871	96.8
2001	4,339,783	4,186,507	96.5	65,719	4,252,226	98.0

Note: Total Adjusted Tax Levy is based on final assessed property values by Miami-Dade County Department of Property Appraisal office after the Property Appraisal Adjustment Board has completed hearings on the tax roll; and before discounts.

(1) Delay in collection due to Hurricane Andrew

### Discounts Allowed:

November	4%
December	3%
January	2%
February	1%
April	Taxes delinquent



## CITY OF MIAMI SPRINGS, FLORIDA

### ASSESSED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Centrally Assessed Property Value	Gross Assessed Property Value
1992	\$ 400,855,789	\$ 55,271,975	\$ 20,385	\$ 456,148,149
1993	414,608,365	55,069,981	14,000	469,692,346
1994	445,021,958	54,131,774	19,523	499,173,255
1995	463,339,132	52,738,435	19,308	516,096,875
1996	463,687,206	55,965,584	18,791	519,671,581
1997	479,115,252	56,835,834	19,039	535,970,125
1998	490,729,243	49,973,107	25,376	540,727,726
1999	506,468,957	56,524,713	25,054	563,018,724
2000	532,171,301	83,157,143	25,385	615,353,829
2001	570,033,667	74,263,104	27,632	644,324,403

Note: (1) Real, Personal, and Central Business District Property is assessed by the Miami-Dade County Department of Property Appraisal as of January 1 each tax year and is used in the following fiscal year ending September 30.

(2) The basis of assessed values is approximately one hundred percent (100%) of actual Real, Personal and Central Business District Property values.

(3) Gross Assessed Property Value is equal to the sum of Real Property, Personal Property and Property Centrally Assessed for operating purposes less any exemptions.

Sources: Miami-Dade County  
Department of Property Appraisal - DR-420



# CITY OF MIAMI SPRINGS, FLORIDA

## PROPERTY TAX RATES LAST TEN FISCAL YEARS

Fiscal Year	<u>City</u>		<u>County</u>		<u>Special Districts</u>					Total Property Tax Rate
	<u>City Wide</u>	<u>Debt Service</u>	<u>County- Wide</u>	<u>Debt Service</u>	<u>Fire</u>	<u>MDCC</u>	<u>Library</u>	<u>School</u>	<u>State</u>	
1992	5.836	0.000	8.118	1.150	2.281	0.750	0.351	9.104	0.600	28.190
1993	6.709	0.000	7.305	0.830	2.344	0.750	0.351	9.923	0.597	28.809
1994	6.709	0.000	7.500	0.808	3.150	0.750	0.351	9.503	0.597	29.368
1995	6.700	0.000	6.828	0.789	2.558	0.030	0.329	10.389	0.687	28.310
1996	6.700	0.000	6.828	0.829	2.518	-	0.329	10.389	0.687	28.280
1997	6.700	0.000	6.469	0.774	2.745	-	0.339	10.366	0.710	28.103
1998	6.950	0.891	6.023	0.837	2.864	-	0.334	10.260	0.644	28.803
1999	7.450	0.848	5.809	0.816	2.752	-	0.321	9.744	0.641	28.381
2000	7.450	0.588	5.751	0.652	2.752	-	0.351	9.717	0.638	27.899
2001	7.950	0.662	5.713	0.552	2.683	-	0.451	9.445	0.736	28.192

### Additional information:

Property tax rates are assessed per \$1,000 of Taxable Assessed Valuation

### Tax rate limits:

City 10.000 Mills  
County 10.000 Mills  
School 10.000 Mills  
State 1.000 Mill

Source: Miami-Dade County  
Department of Property Appraisal



# CITY OF MIAMI SPRINGS, FLORIDA

## REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1992	\$ 1,808,897	\$ 1,035,897	\$ 773,000	\$ 335,000	\$ 510,105	\$ 845,105	91
1993	1,816,891	1,059,810	757,081	355,000	491,345	846,345	89
1994	2,421,198	1,406,684	1,014,514	345,000	258,010	603,010	168
1995	3,713,147 (a)	3,713,147	-	480,000	381,703	861,703	-
1996	4,667,204	3,657,259	1,009,945	490,000	349,470	839,470	120
1997	4,955,872	3,825,070	1,130,802	505,000	332,320	837,320	135
1998 (b)	5,060,001	3,183,505	1,876,496	-	335,713	335,713	559
1999	3,641,641	2,292,819	1,348,822	295,000	536,000	831,000	162
2000	3,747,554	2,744,022	1,003,532	310,000	525,625	835,625	120
2001	3,514,412	2,774,223	740,189	320,000	513,229	833,229	89

(a) Gross Revenue includes total operating revenues, interest income, miscellaneous revenue and operating transfers.

Direct Operating Expenses do not include depreciation.

Actual operating revenues were \$3,420,461. An adjustment of \$292,686 was made to fund operating and debt service expenses from the General Fund and recorded as an increase to the due to/due from accounts.

Coverage is significantly greater than for 1997 as a direct result of the 1998 Bond Refunding. The 1994 issue only required one interest payment and no principal payments as the issue was refunded prior to the payment being required to be made. The 1998 issue only required one interest payment during the current year with the first principal payment coming due in fiscal 1999. Coverage in subsequent periods should return to normal levels.



# CITY OF MIAMI SPRINGS, FLORIDA

## DIRECT AND OVERLAPPING DEBT

SEPTEMBER 30, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Miami Springs</u>	<u>Amount Applicable to Miami Springs</u>
City of Miami Springs	\$ 15,030,000	100.0%	\$ 15,030,000
Miami-Dade County Schools (1)	896,100,000	0.7%	6,272,700
Miami-Dade County (2)	285,161,000	0.7%	<u>1,996,127</u>
			<u>\$ 23,298,827</u>

Note: The "Net Debt Outstanding" for the Miami-Dade County School system for this report represents the total debt confirmed by the organization's comptroller.

Sources: (1) Miami-Dade County Schools, General Finance Department

(2) Miami-Dade County, Finance Department (includes General Obligation, Special Obligation Bonds)



# CITY OF MIAMI SPRINGS, FLORIDA

## DEMOGRAPHIC STATISTICS

### LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u> <u>(1)</u>	<u>Per Capita Personal Income (2)</u>			<u>Unemployment Rate (3)</u>			<u>Enrollment</u> <u>Public Schools</u> <u>in Miami Springs</u>
	<u>Miami</u> <u>Springs</u>	<u>USA</u>	<u>Florida</u>	<u>Miami-</u> <u>Dade</u> <u>County</u>	<u>USA</u>	<u>Florida</u>	<u>Miami-</u> <u>Dade</u> <u>County</u>	
1991	13,271	\$ 20,089	\$ 20,189	\$ 18,738	5.5	5.9	6.7	6,052
1992	13,273	21,082	20,661	17,648	6.7	7.3	8.7	6,291
1993	13,276	21,718	21,652	20,287	7.3	6.8	8.6	6,239
1994	13,279	22,581	22,340	20,713	7.0	7.2	8.0	6,436
1995	13,281	23,562	25,512	21,565	6.8	6.9	7.9	6,745
1996	13,284	24,651	24,616	22,270	4.1	3.2	7.7	6,987
1997	13,287	25,924	25,645	22,833	4.9	4.8	7.1	6,885
1998	13,290	27,203	26,845	23,919	4.5	4.3	6.4	7,488
1999	13,295	28,546	27,781	24,733	4.2	3.9	5.8	7,922
2000	13,712	29,451	27,836	N/A	4.0%	3.6%	5.3%	8,005

Source: (1) City of Miami Springs and University of Florida

(2) University of Florida, Gainesville, Florida Bureau of Economic and Business Research  
Florida Statistical Abstract 2000, Table 5.10, Page 166.

(3) State of Florida, Tallahassee, Florida Department of Labor and Employment Security.  
as reported in Florida Statistical Abstract 2000, Table 6.11, Page 232.

(4) Miami-Dade County Public Schools Registrar's Office

\*\* Per Capita Personal Income is not available for the City of Miami Springs.



# CITY OF MIAMI SPRINGS, FLORIDA

## STUDENT TOTALS FOR SCHOOLS IN THE CITY OF MIAMI SPRINGS

### LAST TEN FISCAL YEARS

<u>Schools</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Miami Springs Elementary	1,012	949	995	1,100	1,128	657	833	947	910	745
Spring View Elementary	629	695	741	720	742	686	755	760	793	632
Miami Springs Middle	1,732	1,860	2,060	2,125	2,195	2,500	2,400	2,515	2,200	2,167
Miami Springs Sr. High	<u>2,918</u>	<u>2,735</u>	<u>2,640</u>	<u>2,800</u>	<u>2,923</u>	<u>3,042</u>	<u>3,500</u>	<u>3,700</u>	<u>4,102</u>	<u>3,820</u>
Total	<u><u>6,291</u></u>	<u><u>6,239</u></u>	<u><u>6,436</u></u>	<u><u>6,745</u></u>	<u><u>6,988</u></u>	<u><u>6,885</u></u>	<u><u>7,488</u></u>	<u><u>7,922</u></u>	<u><u>8,005</u></u>	<u><u>7,364</u></u>

Sources: Miami-Dade County Public Schools  
 Registrar Office  
 September 30, 2000



# CITY OF MIAMI SPRINGS, FLORIDA

## PRINCIPAL TAXPAYERS

SEPTEMBER 30, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation</u>	<u>Percentage Total Assessed Valuation</u>
Felcor/CSS Holdings L.P.	Hotel Facility	\$ 19,250,000	2.99%
AA Group, Ltd.	Auto Storage	11,567,357	1.80%
Red Roof Inns	Hotel Facility	7,800,000	1.21%
Biscayne Properties, Inc. TR & Fairways, Inc.	Hotel Facilities	7,400,688	1.15%
Airport Financial Center, Inc.	Commercial	6,103,248	0.95%
Dorian Van Beyer Callen & Charlotte Callen	Hotel Facility	5,250,000	0.81%
First Union National Bank	Bank-Financial	4,943,000	0.77%
Southern Bell Tel. & Tel. Co.	Commercial	4,500,000	0.70%
Beck-Marcus Assoc. - Miami Airport	Hotel Facility	4,387,767	0.68%
Boulevard Motel Corp.	Hotel Facility	3,000,000	0.47%
First Choice Properties Corp.	Hotel Facility	2,959,422	0.46%
Hideaway in the Grove, Ltd.	Apartment Complex	1,900,000	0.29%
Biscay Holdings, Ltd.	Commercial	1,890,000	0.29%
Reims	Commercial	<u>129,710</u>	<u>0.02%</u>
		<u>\$ 81,081,192</u>	<u>12.58%</u>

Sources: Miami-Dade County

Tax Assessors' office

2001 Tax Roll

Real/personal property adjusted taxable value - \$615,353,859



# CITY OF MIAMI SPRINGS, FLORIDA

## MISCELLANEOUS STATISTICS

SEPTEMBER 30, 2001

Date of Incorporation	August 23, 1926
Form of Government	Council Manager
Area	2.8 square miles
Miles of Streets	55
Fire Protection:	
Number of Stations	1
Number of Firemen and Officers	21-24
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	43
Education:	
Attendance Centers	2 Elem., 1 Middle, 1 Sr. High
Number of Teachers	Middle 100 / MS Elem. 42 / Spv. Elem. 40 / MS High 156
Number of Students	7,364
Municipal Water Department:	
Number of Connections	4,245
Annual Consumption	847M - 893M gallons
Miles of Water Mains	40 miles
Sewers:	
Number of Connections	4,311
Sanitary Sewers	57.25 miles
Storm Sewers	4.8 miles
Building Permits Issued	1,758
Recreation and Culture:	
Number of Parks	3
Number of Libraries	1
Number of Volumes	22,000 (approx.)
Number of Senior Centers	1
Number of Public Swimming Pools	1
Number of Golf Courses	1
Employees:	
Classified Service	85
Exempt	19



# CITY OF MIAMI SPRINGS, FLORIDA

## PROPERTY VALUES, BUILDING CONSTRUCTION AND BANK DEPOSITS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Property Value (1)</u>	<u>Residential</u>		<u>Commercial</u>		<u>Bank Deposits (2) for County</u>
		<u>Units</u>	<u>Value</u>	<u>Units</u>	<u>Value</u>	
1992	\$ 456,148,149	-	\$ 9,500	2	\$ 283,810	\$ 23,558,684
1993	469,692,346	-	-	3	498,900	23,334,147
1994	499,173,255	3	2,095,000	2	290,010	22,463,569
1995	516,096,875	94	876,005	17	681,900	24,824,611
1996	519,671,581	101	1,361,530	29	1,075,300	26,748,125
1997	535,970,125	81	1,818,546	29	7,686,656	28,302,263
1998	540,727,726	43	2,163,489	85	16,850,990	36,659,805
1999	540,727,726	-	-	3	13,848,000	37,537,626
2000	563,018,724	3	565,374	1	1,000,590	40,543,000
2001	615,353,829	8	2,325,119	2	1,450,000	45,063,851

Note: Construction refers to new construction only, improvements are not to be included in these figures.

Sources: (1) Property values are estimated at one hundred percent (100%) of assessed Real, Personal and Central Business District Property values.

(2) State of Florida, Division of Banking.  
As of June 30, of each respective year.



## CITY OF MIAMI SPRINGS, FLORIDA

### TEN LARGEST PUBLIC AND PRIVATE EMPLOYERS LOCATED IN MIAMI-DADE COUNTY, FLORIDA

SEPTEMBER 30, 2001

#### Ten Largest Public Employers

Miami-Dade County Public Schools	34,310
Miami-Dade County, Florida	28,000
Federal Government	18,700
State of Florida	18,400
Jackson Memorial Hospital	7,209
City of Miami, Florida	3,400
Florida International University	2,465
Miami VA Medical Center	2,400
Miami-Dade Community College	2,210
City of Miami Beach, Florida	1,800
City of Hialeah, Florida	1,500
United States Southern Command	1,000
City of Coral Gables	800
City of North Miami Beach	550
City of North Miami	510

#### Ten Largest Private Employers

American Airlines	9,304
University of Miami	7,517
Baptist Health Care Systems	5,285
Precision Response Corporation	5,000
Bell South	3,792
Florida Power & Light	3,745
K-Mart Stores	3,000
Mt. Sinai Medical Center of Greater Miami	3,000
Winn-Dixie Stores, Inc.	2,672
United Airlines	2,600
Royal Caribbean	2,500
Sears	2,400
CAC - United Health Care	2,097
Coulter	2,000
Cordis	2,000

Source: The Beacon Council



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**SUPPLEMENTARY AUDITOR'S REPORT SECTION**

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Rachlin Cohen & Holtz LLP  
Certified Public Accountants & Consultants

**Report of Independent Certified Public Accountants on Compliance and Internal Control Over  
Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in  
Accordance with Government Auditing Standards**

Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida

We have audited the financial statements of the City of Miami Springs, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated January 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters that we have reported to management in the schedule of findings and questioned costs accompanying this report.





Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida  
Page Two

This report is intended solely for the information and use of the Mayor, City Council, management and applicable regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rachlin Cohen & Holt LLP*

Miami, Florida  
January 9, 2002





Rachlin Cohen & Holtz LLP  
Certified Public Accountants & Consultants

**Management Letter in Accordance with the Rules of the Auditor General of the State of Florida**

Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida

We have audited the general purpose financial statements of the City of Miami Springs, Florida (the City) as of and for the year ended September 30, 2001, and have issued a report thereon dated January 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. We have issued our Report of Independent Certified Public Accountants on Compliance and Internal Control over Financial Reporting, Report of Independent Certified Public Accountants on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated January 9, 2002, should be considered in conjunction with this management letter.

In connection with our audit of general purpose financial statements of the City for the year ended September 30, 2000, we report the following in accordance with Chapter 10.550 Rules of the Auditor General, *Local Government Entity Audits*, which requires that this report specifically address but not be limited to the matters outlined in Rule 10.554(1)(g):

1. No inaccuracies, shortages, defalcations, fraud and/or violations of laws, rules, regulations and contractual provisions were reported in the preceding annual financial audit.
2. The City, during fiscal year 2001, was not in a state of financial emergency as defined by Florida Statutes 218.503(1). However, the City reports the following funds with deficit balances for at least two consecutive years:
  - a) Sewer Enterprise Fund:  
This deficit is an accumulation from prior years, however, ongoing improvements will assist in decreasing the deficit. The City is planning a rate adjustment to decrease this deficit.
  - c) Golf Course Fund:  
The deficit in this fund has resulted from the first three years of operation. During the year, the City changed management firms for the Golf Course due to a lack of positive results. The City has closely scrutinized the Golf Course operation over the past three years. The City has proactively replaced two management firms, which failed to produce the desired results. The City is of the opinion that with the proper management firm in place, that the golf course will become a going concern and the deficit will be reduced.

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Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida  
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3. Recommendations made in the preceding annual financial audit were addressed by the City.
4. Recommendations to improve the City's present financial management and accounting procedures are accompanying this report in the schedule of findings and questioned costs.
5. During the course of our audit, nothing came to our attention, except as disclosed, that caused us to believe that the City:
  - a. Was in violation of any laws, rules, regulations and contractual provisions.
  - b. Made any illegal or improper expenditures.
  - c. Had improper or inadequate accounting procedures, other than those noted in the schedule of findings and questioned costs accompany this report.
  - d. Failed to record financial transactions, which could have a material effect on the City's general purpose financial statements.
  - e. Had other inaccuracies, shortages, defalcations and instances of fraud discovered by, or that came to the attention of the auditor.
6. The annual financial report for the year ended September 30, 2001 has been filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes and is in agreement with the audited financial statements of the same period.
7. The City's investments are in compliance with Section 218.415, Florida Statutes, regarding the investment of public funds.
8. The City was incorporated by Laws of Florida 12635. There are no component units related to the City.
9. During the course of our audit, we applied financial condition assessment procedures pursuant to Rule 10.566(8). It is management's responsibility to monitor the City's financial condition, and our financial condition assessment, which was performed as of the City's fiscal year end, was based on representations made by management and the review of financial information provided by the City. There were no findings regarding deteriorating financial conditions.

This report is intended solely for the information and use of the Mayor, City Council, management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rachelle Cohen & Holly LHP*

Miami, Florida  
January 9, 2002



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2001

<u>Federal Grantor Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Grant or Identifying Number</u>	<u>Expenditures</u>
<b><i>Federal Emergency Management Agency</i></b>			
Office of Community Development Public Assistance	83.544	FEMA-FL-DR-1345	\$ 666,541
<b><i>U.S. Department of Justice</i></b>			
Federal Equitable Sharing	N/A	N/A	324,909
Office of Justice Programs	16.592	95CFWX4068	74,990
	16.592	96CMUK0725	11,601
Office of Community Oriented Policing Services			
COPS MORE	16.710	98CMWX1401	24,643
			<u>436,143</u>
<b><i>U.S. Department of Health and Human Services</i></b>			
Alliance for Aging, Inc.			
Title III, Part C Nutrition Services	93.045	75-0142-0-1-506	85,915
Title III, Part B Grants for Supportive Services	93.044	75-0142-0-1-506	9,757
			<u>95,672</u>
<b><i>U.S. Department of Agriculture</i></b>			
Nutrition Program for the Elderly	10.570	12-3503-0-1-605	25,554
<b>Total expenditures of federal awards</b>			<u><u>\$ 1,223,910</u></u>
<u>State Financial Assistance Program Title</u>			
<b><i>Florida Department of Environmental Protection</i></b>			
Bike Path	N/A	M0102	\$ 435,531
<b><i>Florida Department of Community Affairs</i></b>			
Downtown Revitalization	N/A	N/A	194,845
<b><i>Florida Motor Vehicle Theft Prevention Authority</i></b>			
	N/A	00-0013-00	16,709
<b>Total expenditures of state financial assistance</b>			<u><u>\$ 647,085</u></u>

Note: CFDA numbers apply only to federal programs;  
CSFA numbers apply only to state programs.

See note to schedule .



# CITY OF MIAMI SPRINGS, FLORIDA

## NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED SEPTEMBER 30, 2001

### NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes activity of the City of Miami Springs and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.





Rachlin Cohen & Holtz LLP  
Certified Public Accountants & Consultants

**Report of Independent Certified Public Accountants on  
Compliance and Internal Control over Compliance Applicable to Each Major  
Federal Awards Program and State Financial Assistance Project**

Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida

Compliance

We have audited the compliance of the City of Miami Springs, Florida (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that are applicable to each of its major federal programs and state financial assistance projects for the year ended September 30, 2001. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state financial assistance projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs and state financial assistance projects for the year ended September 30, 2001.





Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida  
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Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal awards program or state financial assistance projects being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Mayor, City Council, management, and applicable legislative or regulatory bodies and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rachlin Cohen & Holtz LLP*

Miami, Florida  
January 9, 2002



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued:

*Unqualified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ yes X No

Reportable condition(s) identified not considered to be material weakness?

\_\_\_ yes X none reported

Non-compliance material to financial statements noted?

\_\_\_ yes X No

#### Federal Awards Programs and State Financial Assistance Projects

Internal control over major federal awards programs and State Financial Assistance Projects:

Material weakness(es) identified?

\_\_\_ yes X No

Reportable condition(s) identified not considered to be material weakness?

\_\_\_ yes X none reported

Type of auditor's report issued on compliance for major federal awards programs and State Financial Assistance Projects:

*Unqualified Opinion*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) or Chapter 10.550, Rules of the Auditor General?

\_\_\_ yes X No

Identification of federal major awards programs and state financial assistance projects:

#### Federal Program

#### Federal CFDA No.

FEMA – Hazard Mitigation Grant

83.548

#### State Project

#### State CSFA No.

FDEP – Bike Path Grant

N/A

FDCA – Downtown Revitalization

N/A

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	\$300,000
State	\$194,000

Auditee qualified as low risk auditee for audit of federal awards program?

\_\_\_ Yes X No



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### SECTION II. FINANCIAL STATEMENT FINDINGS

#### *2001-01 Golf Course Fund*

We noted that the City operates a Golf Course Fund, which is very costly to the City and has been operating under a deficit since its inception during the fiscal year 1998. It may be more cost effective for the City to sell or discontinue operations of the Golf Course Fund.

#### *Recommendation*

We recommend that the City evaluate the cost effectiveness of providing and maintaining a golf course.

#### *Management Response*

The deficit in this fund has resulted from the first three years of operation. During the year, the City changed management firms for the Golf Course due to a lack of positive results. The City has closely scrutinized the Golf Course operation over the past three years. The City has proactively replaced two management firms, which failed to produce the desired results. The City is of the opinion that with the proper management firm in place, that the golf course will become a going concern and the deficit will be reduced.

#### *2001-02 Excessive Use of Due to/from Accounts*

We noted that the City has increased the use of due to/from accounts for transactions between funds. The balance as of September 30, 2001 increased from approximately \$3.3 million in 2000 to \$3.7 million, an overall increase of 10%. Of this amount, 76% was due from funds incurring accumulated deficits in 2000 and 71% in 2001.

#### *Recommendation*

We recommend that the City reduce the use of the due to/from accounts and evaluate the likelihood of collectibility and payment of outstanding balances.

#### *Management Response*

The increase in the total due to/due from accounts is due, in part, to deficit balances in the Sewer Fund and the Golf Course Fund. The City has taken steps to decrease the deficits and this will help decrease the due to from balance. The Finance Director and the City Administration will review each fund and determine which balances will be paid in the future.

#### *2001-03 Inventory*

#### *Condition*

We noted that the City does not always conduct a physical count of inventory on hand. Periodic physical inventories provide a basis for updating inventory balances and aid in detecting significant inventory shortages.



# CITY OF MIAMI SPRINGS, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### SECTION II. FINANCIAL STATEMENT FINDINGS (Continued)

#### *2001-03 Inventory (Continued)*

##### *Recommendation*

We recommend that the City implement procedures to ensure that a physical count of inventory on hand is conducted periodically.

##### *Management Response*

The City has implemented a system of cycle counts for all inventories, except for the Golf Course which is counted monthly. The cycle counting will keep the inventory current and ensure that all items are counted as least once a year. The high cost and fast moving items will be counted more often.

#### *2000-1 New Pronouncement*

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will create new information and will restructure much of the information that governments have presented in the past. These new requirements were developed to make annual financial reports more comprehensive and easier to understand and use. The new reporting model will include government-wide financial statements, as well as fund financial statements, as well as management's discussion and analysis section. Implementation will be required for fiscal year ending September 30, 2003. However, many of the reporting requirements need to be addressed several years before the required implementation date. We recommend that the City review the new requirements and plan accordingly.

##### *Recommendation*

We recommend that the City review the new requirements and plan accordingly.

##### *Management Response*

The City will review the reporting requirements of GASB No. 34 and will begin planning to implement the statement.

### SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

### SECTION IV. STATE FINANCIAL ASSISTANCE PROJECTS FINDINGS AND QUESTIONED COSTS

None.